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# ***Daily Report***

## **East Asia**

**FBIS-EAS-94-036  
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# Daily Report

## East Asia

FBIS-EAS-94-036

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23 February 1994

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## Japan

### Business Leader Urges Shrinking of Trade Surplus

OW2102131494 Tokyo KYODO in English 1241 GMT  
21 Feb 94

[Text] Tokyo, Feb. 21 KYODO—Masaru Hayami, chairman of the Japan Association of Corporate Executives (Keizaidoyukai), urged the government Monday [21 February] to set a target to shrink Japan's huge trade surplus.

Hayami said the government should break the deadlock on economic "framework" talks between Japan and the United States by setting a ratio to Japan's gross domestic product (GDP) in reducing its trade surplus.

Hayami said such a goal should be included in a plan that the government will announce to open up Japan's markets.

He made the remark at a press conference in reference to the recent failed trade talks between Prime Minister Morihiro Hosokawa and U.S. President Bill Clinton over setting "objective criteria" in bilateral trade.

The association has repeatedly urged the government to try to correct the price gap between goods sold in and outside Japan.

He also said the dollar's value should be around 110 yen, noting there are few Japanese firms that can survive if the dollar remains below 110 yen.

### Acceptability of Tokyo Trade Measures Viewed

OW2302000494 Tokyo KYODO in English 2340 GMT  
22 Feb 94

[Text] Washington, Feb. 22 KYODO—Two key U.S. senators on trade matters sought trade legislation Tuesday [22 February] to open Japanese markets to American products after U.S. attempts to set Japanese import goals collapsed through bilateral trade talks. Max Baucus, Democratic chairman of the Senate Subcommittee on International Trade, and John Danforth, the ranking Republican on the panel, jointly submitted legislation to seek a permanent revival of the so-called "Super 301" trade law.

While seeking legislation to revive the "Super 301" measure on a permanent basis, Baucus also urged President Bill Clinton to enforce "Super 301" by presidential order.

"It is time for the United States to demonstrate the courage to back its convictions with action," Baucus said in a statement.

The "Super 301" provision requires the administration to annually identify the most closed foreign markets and impose trade sanctions if negotiations do not resolve the problem. First enacted in 1988, the original "Super 301" provision expired in 1990.

The Clinton administration has expressed support for the "Super 301" measure.

White House Press Secretary Dee Dee Myers said Tuesday the Clinton administration is "still reviewing options" to cope with the collapsed framework trade talks with Japan, including possible reinstatement of the Super 301 trade authority.

Clinton failed to resolve the trade dispute with Japan at a summit meeting with Prime Minister Morihiro Hosokawa in Washington on February 11.

The Japanese Government is working on a fresh package of market-opening measures which officials in Tokyo hope will ease the strain in bilateral trade ties with the U.S.

Some Japanese diplomats in Washington, however, appear skeptical whether the trade measures contemplated in Tokyo, including deregulation and import promotion, would be far-reaching enough to satisfy U.S. demands. "I don't think it is sufficient," a Japanese diplomatic source said.

The source said the U.S. seems determined to set "objective criteria" to monitor progress in the openness of the Japanese market.

The Japanese Government has rejected the U.S. demands as equivalent to "numerical targets" for boosting U.S. market shares in Japan.

### Tokyo To Show 'Market-Opening' Plan to U.S.

OW2302002294 Tokyo KYODO in English 0003 GMT  
23 Feb 94

[Text] Tokyo, Feb. 23 KYODO—Japan will explain new market-opening plans to top U.S. trade negotiator Jeffrey Garten when he visits Tokyo in early March, a senior trade ministry official said Tuesday night [22 February]. Garten, the undersecretary of commerce for international trade, has been invited by the Federation of Economic Organizations (Keidanren) to make a speech at a forum March 4.

The official at the Ministry of International Trade and Industry (MITI) said Tokyo wants the United States to understand its efforts in light of the impasse in bilateral talks on a new trade framework.

Japan is considering ways to speed up the opening of its markets and will hold a meeting of cabinet ministers Friday to discuss additional deregulation programs. The new plans will be explained to Garten as Japan's initiative to solve the impasse, the official said.

Garten is a chief negotiator in the area of automobile and auto parts under the framework talks. He will be visiting Tokyo on his way home from a trip to several Asian countries.

### Owada Warns Against 'Panic' Over U.S. Ties

OW2302081194 Tokyo KYODO in English 0743 GMT  
23 Feb 94

[Text] Tokyo, Feb. 23 KYODO—The failure of Japanese Prime Minister Morihiro Hosokawa and U.S. President Bill Clinton to agree on a new trade framework in their



recent meeting in Washington should not be cause for "panic," Former Vice Foreign Minister Hisashi Owada said Wednesday [23 February]. By the same token, however, it would be "dangerous" for Japan to adopt a business-as-usual approach in its relations with the United States, Owada said in an address at a Tokyo hotel.

Owada issued the note of caution at a gathering organized by the International Friendship Exchange Committee (FEC), a private nonprofit organization. "It would not be good to either panic or be optimistic, but the worst thing would be to begin acting on emotion," he said.

Owada blasted what he said was "sensational" media reporting about the February 11 meeting that has given a "mistaken" impression that bilateral relations are "heading toward a crisis" and that a new round of "Japan-bashing" has started in the United States. He said that in dealing with the U.S., Japan must bear in mind that the Clinton administration came to power on a wave of popular sentiment that the new government would focus on domestic woes, especially the country's ailing economy.

Owada expressed concern that with economic issues at the forefront of U.S. policy, government officials in Washington are finding it increasingly difficult to consider ties with Japan in a "comprehensive" manner, encompassing bilateral cooperation in the political and security fields. He suggested that their search for an effective way of dealing with the bilateral trade dispute, different from unproductive approaches of the past, has given rise to the idea of using the political and security cooperation as a kind of leverage over economic issues.

Owada, who is the father of Crown Princess Masako, also took issue with Clinton's recent remarks that none of the 30 or so agreements concluded between Japan and the U.S. is functioning satisfactorily. "In actuality, this is not the case," he said, calling it an example of a "great misunderstanding."

#### Comments on 'Endeavor' Targets

*OW2302034494 Tokyo KYODO in English 0312 GMT  
23 Feb 94*

[Text] Tokyo, Feb. 23 KYODO—The government of Prime Minister Morihiro Hosokawa on Wednesday [23 February] indicated it could accept a proposal to agree to nonbinding targets for measuring progress in opening Japan's markets to imports. A government source said the proposal aired Tuesday by ruling coalition strategist Ichiro Ozawa, "is one idea."

"What is important is not to make (the targets) binding," said the source, who spoke on condition of anonymity.

Ozawa, the de facto head of Shinseito (Japan Renewal Party), the key force in Hosokawa's seven-party coalition, said Tuesday he believed Japan could accept "endeavor targets" to assess its compliance with trade agreements. Ozawa made the comment in a meeting with foreign journalists, according to the associated press.

The AP [ASSOCIATED PRESS] report quoted Ozawa as saying Japan only should agree to such targets only if the United States agreed not to penalize Japan for failing to meet them. "If we weren't able to meet the goals and the U.S. side quickly turned to trade sanctions, that wouldn't be right," he was quoted as saying.

Earlier this month, Hosokawa and U.S. President Bill Clinton met in Washington but failed to strike a deal on ways to slash Japan's trade surpluses with the United States. At that time, Japan rejected a U.S. demand to set numerical targets to measure the openness of its markets to imports.

#### Hosokawa Voices 'Anxiety' Over U.S. Ties

*OW2302120294 Tokyo KYODO in English 1129 GMT  
23 Feb 94*

[Text] Tokyo, Feb 23 KYODO—Prime Minister Morihiro Hosokawa voiced anxiety Wednesday that trade conflicts between Tokyo and Washington may take place "one after another" unless Japan significantly reduces its trade surplus with the United States.

Hosokawa made the remarks during a session of the House of Councillors Budget Committee before it passed the third supplementary budget for fiscal 1993. The extra budget was finally approved as it was passed at the plenary session of the upper house.

The premier said the U.S. has been "irritated" by its trade deficits with Japan of more than 50 billion dollars annually. "I am afraid similar problems may repeatedly occur one after another unless signs of improvement come out visibly," said Hosokawa, referring to a U.S. announcement last week which unveiled steps to impose sanctions against Japan in a dispute over access to the Japanese cellular phone market.

The announcement was made a few days after Hosokawa and U.S. President Bill Clinton failed to strike a deal on a new framework to slash Japan's trade surplus.

Hosokawa said he wants to find a way to solve the trade imbalance, stressing the importance of relations between Japan and the U.S. "We should make every effort to stabilize Japan-U.S. relations. It is not only a bilateral relationship but has impacts on Asia and Pacific regions," Hosokawa said, adding the U.S. presence in the region gives a sense of security to other countries in the region.

The prime minister also said he is aiming for an alliance of ruling parties to compete with the largest opposition Liberal Democratic Party (LDP) in the next general election of the House of Representatives. He said the seven ruling parties cannot win the election if they field separate candidates.

Hosokawa, however, denied he is after a two-party system. "I have said Japanese politics will become a moderate multiparty system, not a two-party system. I still think so," he said.



The prime minister reportedly wants to remove Chief Cabinet Secretary Masayoshi Takemura, who is opposed to the two-party system.

Takemura and former SDP [Social Democratic Party] Chairman Sadao Yamahana, also state minister in charge of political reform, voiced their support during the session for a multiparty system.

Hosokawa said he will decide whether to reshuffle the cabinet after hearing the opinion of governmental and ruling parties' officials.

#### **Anti-U.S. Slogans Sprayed on Motorola Affiliate**

*OW2102060994 Tokyo KYODO in English 0541 GMT 21 Feb 94*

[Text] Tokyo, Feb. 21 KYODO—The Tokyo headquarters of U.S. electronics giant Motorola Inc. has been sprayed with anti-American graffiti amid growing calls from Washington to open up Japanese markets, police said Monday [21 February]. White and green paint was sprayed on the walls of Nippon Motorola Ltd., the Japanese subsidiary of Motorola in central Tokyo, to create slogans such as "(We Are) Against America" and "(We'll) Crush the Hard-Selling Diplomacy of U.S. Imperialists."

The graffiti covered an area of two meters by 1.4 meters. An unidentified man called the Tokyo media around 4 A.M., saying the Motorola building has been defaced.

The United States said last week it would impose sanctions against Japan by raising tariffs in a dispute over Motorola's access to the cellular phone market in Japan. Washington accused Japan of breaching a 1989 trade accord meant to boost imports of U.S. cellular phones and said it will retaliate by raising tariffs on Japanese telecommunications products and possible other products.

#### **Automobile Industry 'Will Adopt' Import Program**

*OW2302102294 Tokyo KYODO in English 1010 GMT 23 Feb 94*

[Text] Tokyo, Feb. 23 KYODO—Japan's automobile industry will adopt an auto import program for the private sector in an effort to defuse trade friction with the United States, the Japan Automobile Manufacturers' Association said Wednesday [23 February]. But Yutaka Kume, chairman of the association, said the industry has no plan to introduce "objective criteria," which the U.S. has been demanding.

Kume said some auto companies in Japan can provide figures each year for auto parts purchases, but they should not announce how much they will buy in the future as it will be regarded by the U.S. as a "promise."

Kume made the remarks at a press conference in Tokyo concerning the failure in the bilateral economic "framework" trade talks between Prime Minister Morihiro Hosokawa and U.S. President Bill Clinton. Autos and auto parts are one of three priority areas of the talks.

As for marketing of imported cars in Japan, Kume said the Japanese industry should launch a public relations project concerning Japan's auto sales "to make the U.S. understand that Japanese automakers don't control dealers."

#### **U.S. Rice Proves 'Popular' on Black Market**

*OW2302094494 Tokyo KYODO in English 0904 GMT 23 Feb 94*

[Text] Tokyo, Feb. 23 KYODO—U.S. Rice is proving popular on Japan's unofficial rice market, trading at 550-580 yen per kilogram, nearly double the price sold by the government to wholesalers, rice traders said Wednesday [23 February].

Rice imported from China is also fetching similar prices as both Chinese and California rice are close in taste to the medium short-grain Japanese staple, according to Beikoku Data Bank, a private market research agency.

Earlier this month, the government began selling rice imported from China, Thailand and the United States to cope with a shortfall caused by a poor harvest last year.

Thai rice, a long-grain variety, has proven less popular with the Japanese.

According to Beikoku Data Bank, Thai rice is traded at 70-90 yen per kilogram on distribution channels outside official markets, way below the 199 yen at which the government sold the product to wholesalers.

Faced with the unpopularity of Thai rice, the Food Agency has said it will begin selling a blend of rice imported from China, the U.S. and Thailand.

#### **Government Signs for 60 Percent of Rice Imports**

*OW2202051094 Tokyo KYODO in English 0456 GMT 22 Feb 94*

[Text] Tokyo, Feb. 22 KYODO—Japan has signed for about 60 percent of rice imports required for this year, agriculture minister Eijiro Hata said Tuesday [22 February].

"Importation of about 60 percent of 1.7 million tons (the government) is scheduled to import from now on this year is now in sight," Hata told a press conference.

According to the Food Agency, Japan has imported about 445,000 tons of rice since last November.

In the wake of the worst harvest since the 1950s, the government decided last year to import rice on an emergency basis, mostly from the United States, China and Thailand.

#### **Russia's Not Signing Nuke Dumping Ban Regretted**

*OW2202041194 Tokyo KYODO in English 0338 GMT 22 Feb 94*

[Text] Tokyo, Feb. 22 KYODO—Science and Technology Agency head Satsuki Eda said Tuesday [22 February] the



Japanese Government expressed through diplomatic channels its regret that Moscow plans not to accept an international ban on the dumping of nuclear waste at sea.

"Even though all nations that had originally hesitated to accept (the ban) have all fallen in step with the comprehensive ban (on dumping), it is regrettable that only Russia remains out of step," Eda told a press conference after a cabinet meeting.

Eda said Japan will continue to urge Moscow to accept the dumping ban and offer technological cooperation in helping Russia to manage and store its nuclear waste.

Russia registered its noncompliance on Friday to an amendment to the London Convention on Sea Pollution and will be the only country of 72 signatories of the treaty to continue dumping nuclear waste at sea.

Belgium, Britain, China and France, along with Russia, had abstained on voting for the amendment when it was introduced last November at a meeting of the International Maritime Organization (IMO).

IMO officials said Monday that all of the countries, except Russia, have now accepted the international ban.

The amendment was prompted by Russia's dumping of a large quantity of liquid radioactive waste into the Sea of Japan last October.

#### **Tokyo, Moscow Reportedly Agree on Hata Visit** *OW2202233394 Tokyo KYODO in English 2308 GMT 22 Feb 94*

[Text] Moscow, Feb. 22 KYODO—Japanese Foreign Minister Tsutomu Hata will visit Russia in March for talks with Russian Foreign Minister Andrey Kozyrev, Japanese officials said Tuesday [22 February]. The deputy foreign ministers of the two countries, Hiroshi Fukuda and Aleksandr Panov, agreed on Hata's visit during two days of meetings in Moscow that ended Tuesday, the officials said.

The concrete schedule for Hata's visit will be set through diplomatic channels, they said.

The officials said Fukuda and Panov have agreed to promote political dialogue between the two countries and continue talks on a decades-long territorial dispute over four Russian-held islands claimed by Japan. The territorial row involves Etorofu, Kunashiri, Shikotan and the Habomai group of islets, which the former Soviet Union seized at the end of World War II.

During the talks in Moscow, Panov welcomed a proposal by Fukuda to invite a group of Russian parliamentarians and a team of Russian youths in the Russian Far East to Japan, the officials said. Details of the trips will be set through further talks between the two sides, they said.

Russia's INTERFAX NEWS AGENCY reported Japan has reaffirmed support for Russia's policy of reforms.

Interfax quoted Russian Foreign Ministry Spokesman Grigory Karasin as saying agreement was also reached on how to coordinate effort to boost economic cooperation between the two countries.

#### **Police Official To Visit ROK To Discuss Crime** *OW2102131394 Tokyo KYODO in English 1255 GMT 21 Feb 94*

[Text] Tokyo, Feb. 21 KYODO—A senior Japanese police official will leave for South Korea on Wednesday [23 February] for two days of consultations on crime-related issues, as well as security arrangements for a March visit to Japan by South Korean President Kim Yong-sam, police officials said Tuesday.

The officials said National Police Agency Deputy Director General Koji Kunimatsu will sound out possibilities of cooperation in dealing with such problems as Korean pickpocket gangs in Japan, some of them armed with knives.

The two sides will also consider security arrangements in preparation for the South Korean leader's March 24-26 visit to Japan, they said.

The visit will be the first to South Korea by such a high-ranking Japanese police official since Kunimatsu's predecessor went there in 1988 just after the Seoul Olympics.

#### **PRC's Zhu Rongji Arrives in Tokyo 23 Feb** *OW2302063994 Tokyo KYODO in English 0604 GMT 23 Feb 94*

[Text] Tokyo, Feb. 23 KYODO—Chinese Vice Premier Zhu Rongji arrived in Tokyo on Wednesday [23 February] for a nine-day official visit aimed at beefing up economic ties, friendship and mutual understanding between the two countries.

Zhu is the first top Chinese Government official to travel to Japan since the coalition administration of Prime Minister Morihiro Hosokawa came to power last August, officials said. He will have talks with Hosokawa and Foreign Minister Tsutomu Hata as well as meeting three former premiers—Noboru Takeshita, Toshiki Kaifu and Kiichi Miyazawa—and business leaders during his stay until March 3, the officials said.

"Last year Sino-Japanese trade volume hit an historical record of 39 billion dollars, an increase of 54 percent over the previous year," Zhu told reporters before leaving Beijing. "With this Japan has surpassed Hong Kong as China's largest trading partner and China has become the second largest trading partner of Japan," he said.

"This year is a crucial year for China in building a socialist market economy," said Zhu, who is concurrently governor of China's central bank.

"This also is an important time for Japan to take major administrative measures to rejuvenate its national



economy. Therefore, I believe both sides have the interest and the need to hold mutually beneficial exchanges and discussions," he added.

During the visit, the vice premier will also travel to Osaka, Kagawa and Fukuoka prefectures in western and south-western Japan to take a firsthand look at corporate activities there.

Zhu said upon arrival at Tokyo's Haneda Airport that his Japan trip is aimed at deepening mutual understanding and promoting cooperation and friendship between the two countries.

"Bilateral friendly and cooperative relations have already entered a new stage of development through common efforts by the two governments and the peoples," Zhu said. To further strengthen such ties will be beneficial for the Japanese and Chinese peoples in the long term and will also contribute to the peace, stability and prosperity of the Asia-Pacific region and the world, he said.

#### **Five Chinese Detained for Alleged Illegal Entry**

*OW2002033294 Tokyo KYODO in English 0233 GMT  
20 Feb 94*

[Text] Kagoshima, Feb. 20 KYODO—Maritime Safety Agency officials arrested five Chinese on Saturday [19 February] for alleged illegal entry into Japan.

The five men were detained during a search of the Min Shi Liao 2753, a 127-ton fishing boat from China's coastal Fujian Province, which had been anchoring some 1.2 kilometers southwest of Yokoate-Jima, agency officials said.

The five are alleged to have come ashore on Yokoate-Jima, a tiny uninhabited island in the Tokara Islands Chain south of Kyushu.

A passing fishing boat had seen the men setting foot on the island and reported them to the agency.

The suspects, who reportedly confessed to the allegations, were sent to Naze on Amami Island, Kagoshima Prefecture, for further questioning, the officials said. Crew members said the vessel stopped near the island because of engine trouble.

#### **Greek Port Closure to FYROM Protested**

*OW2302122194 Tokyo KYODO in English 1113 GMT  
23 Feb 94*

[Text] Tokyo, Feb. 23 KYODO—Japan lodged a protest Wednesday [23 February] against Greece for its decision to close a major port to Macedonia [The Former Yugoslav Republic of Macedonia—FYROM]), and called on the nation to solve the problem through negotiations, Foreign Ministry officials said.

Shigeru Tsumura, deputy director general of the European and Oceanian Affairs Bureau of the Foreign Ministry, lodged the protest with Greek Ambassador to Japan Yeoryios Sioris, the officials said. Tsumura told Sioris Japan is

concerned that Greece's decision would have a negative influence on peace and stability in the Balkan region, the officials said.

Greek Prime Minister Andreas Papandreu announced last Wednesday it would ban neighboring Macedonia from using the Greek port of Salonika, its second largest port, for all but humanitarian purposes. The decision was the latest development involving Skopje, the capital of the Former Yugoslav Republic of Macedonia, which declared independence in 1991.

Greece has claimed that the republic's use of the historical Greek name "Macedonia" as well as its use of historic Greek emblems on its flag, implies territorial claims against the northern Greek province of Macedonia.

Japan is concerned that conflicts in Bosnia will spread to other regions of the former Yugoslavia and so considers it important to solve problems involving Albanians in Macedonia, Tsumura was quoted as telling Sioris.

Tsumura also said Japan is considering offering economic assistance to Macedonia, which is affected by U.N. sanctions on Serbia and Montenegro, saying economic development and improvement of living standards there are essential to maintain political stability, they said.

Greece issued a statement of protest with Japan in December when it gave official recognition to Macedonia.

#### **Honda Plans To Build Cars in Mexico**

*OW2302083194 Tokyo KYODO in English 0800 GMT  
23 Feb 94*

[Text] Tokyo, Feb. 23 KYODO—Honda Motor Co. is considering production of four-wheel [drive] vehicles in Mexico, a Honda official said Wednesday [23 February].

The move is apparently designed to capitalize on the North American Free Trade Agreement (NAFTA), which allows companies to make good use of cheaper labor costs in Mexico for production of products for export to the United States and Canada.

The official said, however, Honda has yet to make a decision on when to start production, the scale of production and models to be made.

Honda now produces motorcycles and automobile parts at a plant in Guadalajara, west of Mexico City.

The big three U.S. automakers, Volkswagen AG of Germany and Japan's Nissan Motor Co. have already established auto manufacturing plants in Mexico.

#### **Ex-Im Bank Signs Buyer's Credit to Colombia**

*OW2202092494 Tokyo KYODO in English 0905 GMT  
22 Feb 94*

[Text] Tokyo, Feb. 22 KYODO—The government-backed Export-Import Bank of Japan signed a loan agreement in



Tokyo on Tuesday [22 February] to extend a buyer's credit of 4.5 billion yen to a public corporation in Colombia, the bank said.

Under the agreement, signed with Empresas Publicas de Medellin, the loan will be used for purchases of Japanese goods and services required for a telecommunications network expansion project, bank officials said.

This is the bank's third buyer's credit to the corporation, following two previous such credits worth a total 11.3 billion yen, the officials said.

#### **Emperor, Empress Meet With Benin President**

*OW2202080494 Tokyo KYODO in English 0712 GMT 22 Feb 94*

[Text] Tokyo, Feb. 22 KYODO—Benin President Nicéphore Soglo chatted with Emperor Akihito on Tuesday [22 February] at the Imperial Palace in central Tokyo, officials said.

Following an audience with Emperor Akihito and Empress Michiko, Soglo attended a court luncheon hosted by the emperor, Imperial Household Agency officials said.

The empress, who has suffered speech difficulties since last October, did not attend the lunch. Crown Prince Naruhito and his wife Princess Masako were in attendance.

Soglo arrived in Japan on Monday for a four-day visit to seek Japanese political and economic support for his nation.

Prime Minister Morihiro Hosokawa told Soglo on Monday that Japan will give the African republic 1.11 billion yen in economic assistance.

Benin, a small country in west Africa bordering Nigeria, is a former French colony that became independent in 1960. It was renamed from Dahomey in 1975.

#### **Tokyo, Jakarta Agree To Amend Flight Schedule**

*OW2202110794 Tokyo KYODO in English 0922 GMT 22 Feb 94*

[Text] Jakarta, Feb. 22 KYODO—An amendment to the schedule for air services between Japan and Indonesia was signed here Tuesday [22 February], the Japanese Embassy in Jakarta said.

The amendment was signed by Japanese Ambassador to Indonesia, Kimio Fujita, and Wisber Loeis [name as received] of the Indonesian Ministry of Foreign Affairs.

It is now possible for Japanese airlines to exercise traffic rights for their own stopover passengers between Jakarta and Denpasar from April 1, 1994.

After the Kansai International Airport opens, Indonesian Airlines will be able to extend air services to Tokyo, Nagoya, Osaka and Fukuoka.

Flights between Japan and Indonesia have been conducted on the basis of an agreement signed between the two

countries on January 23, 1962. The schedule has previously been amended in 1965, 1970, 1987 and 1990.

The latest amendment is designed to cope with the increasing demand for flights between Japan and Indonesia to cope with an increase of tourists to Bali in particular, and to help the Indonesian Government promote tourism.

#### **Ministry Official Reverses Position on HDTV**

*OW2302083094 Tokyo KYODO in English 0809 GMT 23 Feb 94*

[Text] Tokyo, Feb. 23 KYODO—A top Postal Ministry official on Wednesday [23 February] reversed his position on high-definition television (HDTV) development, saying the ministry will continue to support an analog HDTV system developed by Japan Broadcasting Corp (NHK).

Akimasa Egawa, director general of the Broadcasting Administration Bureau at the Ministry of Posts and Telecommunications, told reporters Tuesday his ministry will promote the development of a digital HDTV system to replace NHK's hi-vision system.

The remark stirred protests from Japanese consumer electronics companies, which are already selling hi-vision television sets.

Egawa said Wednesday the ministry supports the continuation of NHK's experimental hi-vision broadcasts, to be followed by full broadcasts.

#### **Egawa 'May Be Forced To Resign'**

*OW2302094794 Tokyo KYODO in English 0931 GMT 23 Feb 94*

[Text] Tokyo, Feb. 23 KYODO—A senior Postal Ministry official may be forced to resign for comments on government policy toward high-definition television (HDTV) development, a Japanese broadcasting network executive said Wednesday [23 February].

The executive for a private broadcasting company asked to remain anonymous.

Akimasa Egawa, director general of the Broadcasting Administration Bureau at the Ministry of Posts and Telecommunications, earlier Wednesday reversed his position on HDTV development, saying the ministry will continue to support an analog HDTV system developed by Japan Broadcasting Corp. (NHK).

Egawa had told reporters on Tuesday his ministry will promote the development of a digital HDTV system to replace NHK's hi-vision system.

The remark stirred protests from Japanese consumer electronics companies, which are already selling hi-vision television sets.



**Remarks 'Do Not Reflect' Meaning**

OW2302104594 Tokyo KYODO in English 1033 GMT  
23 Feb 94

[Text] Tokyo, Feb. 23 KYODO—A senior Posts Ministry official on Wednesday [23 February] retracted earlier remarks in favor of a digital high-definition television (HDTV) system in place of the current analog format.

The Posts and Telecommunications Ministry will continue to support the analog HDTV system developed by public broadcaster Japan Broadcasting Corp. (NHK), Aki-masa Egawa, director general at the ministry's Broadcasting Administration Bureau, told a press conference. But he added the general trend shows Japan's HDTV formats will eventually move toward a digital-based system.

A final decision on the matter should be made after studying the interests of consumers, electronic makers and other parties concerned, with an eye toward the next century, he said.

The consumer electronic industry was baffled by Egawa's remarks on Tuesday calling for a switch from the analog to a digital system in signal transmission for the next-generation television.

The remarks, apparently designed to unify Japan's HDTV format with the global trend, came at a time when NHK is already offering HDTV broadcasting programs under an analog format named "hi-vision." Electronics makers have put enormous amounts of money into its development.

Egawa's remarks drew fire from many sectors—NHK, makers, retailers and consumers who have already purchased hi-vision televisions.

Egawa said his remarks do not reflect what he really meant.

The Posts Ministry will allow NHK to continue with experimental analog HDTV broadcasting in the future, he said. He said the ministry will promote hi-vision broadcasting using a broadcasting satellite set for launch next year, in line with a report prepared last year by the radio regulatory council, an advisory body to the posts and telecommunications minister.

Hi-vision broadcasting will continue at least until 2007, the year when the satellite's life comes to an end, Egawa said. As for a switch to digitalization, he said the ministry will come up with some proposal by this summer.

**Ouchi Opposes 'Dumping' Takemura in Reshuffle**

OW2202025594 Tokyo KYODO in English 0227 GMT  
22 Feb 94

[Text] Tokyo, Feb. 22 KYODO—Health and Welfare Minister Keigo Ouchi, chairman of the Democratic Socialist Party (DSP), said Tuesday [22 February] he is opposed to a cabinet reshuffle aimed at dumping Chief Cabinet Secretary Masayoshi Takemura.

A cabinet reshuffle specifically designed to remove certain cabinet ministers would shake the foundation of Prime Minister Morihiro Hosokawa's cabinet, Ouchi told a news conference.

He was alluding to the campaign by Hosokawa, Shinseito co-leader Ichiro Ozawa and others in the ruling coalition to get rid of Takemura, the government's top spokesman.

The premier and the others have differed with Takemura over Hosokawa's plan to introduce a so-called "national welfare tax" to replace the consumption tax, the future of Japanese politics and other key issues, political sources say.

The Social Democratic Party, the largest force in the seven-party coalition government, has also expressed reservations about an early reshuffling of the cabinet, which Hosokawa and his backers say may come later this month.

**Sakigake Discusses Possible Cabinet Reshuffle**

OW2302040994 Tokyo KYODO in English 0356 GMT  
23 Feb 94

[Text] Tokyo, Feb. 23 KYODO—Chief Cabinet Secretary Masayoshi Takemura will probably remain in the cabinet after a reshuffle that could take place as early as next week, a senior official of his Sakigake (Harbinger) Party said Wednesday [23 February]. The 14 Sakigake members in the House of Representatives met to discuss how to respond to Prime Minister Morihiro Hosokawa's plan to reorganize his cabinet, said the official, who spoke on condition anonymity.

Another official of Sakigake, which Takemura leads, told reporters the party may break up if he declines to accept a different cabinet post.

The mass-circulation ASAHI SHIMBUN reported in its Wednesday morning edition that Takemura does not intend to accept a different cabinet post and is determined to leave the cabinet if he is sacked as chief cabinet secretary.

Hosokawa has indicated a desire to reorganize the six-month-old coalition cabinet at an early date and many political sources say the cabinet reshuffle is targeted at removing Takemura from his present key post.

The ASAHI said the prime minister has asked if Takemura could assume the post of foreign minister in place of Tsutomu Hata who would in turn take over as chief cabinet secretary.

The largest national daily, the YOMIURI SHIMBUN, reported that Hosokawa has decided to carry out the cabinet reshuffle early next week. The YOMIURI said Hosokawa aims to sack Takemura as chief cabinet secretary and Hirohisa Fujii as finance minister, and also solicit Social Democratic Party (SDP) Chairman Tomiichi Murayama into the cabinet.



The SDP, the largest among the seven ruling parties, has opposed an early cabinet reshuffle. But Shinseito and Komeito have offered support for the plan.

**Takada Wins Fourth Term as Nagasaki Governor**  
*OW2002123194 Tokyo KYODO in English 1206 GMT  
20 Feb 94*

[Text] Nagasaki, Feb. 20 KYODO—Incumbent Nagasaki Gov. Isamu Takada won a fourth four-year term in office Sunday [20 February], beating out two other contenders in the prefecture's gubernatorial election.

Takada, 67, backed by the Liberal Democratic Party, Shinseito [Japan Renewal Party], the Democratic Socialist Party and the Social Democratic Party, topped Momiyoshi Shigaki, 64, and Katsumi Nagata, 40.

Shigaki was supported by the Japan New Party and Saki-gake (Harbinger), while Nagata was backed by the Japanese Communist Party.

Voter turnout was 65.76 percent, compared with 78.13 percent in the previous election, Election Administration Committee officials said.

**Government To Ease Curbs on Broadcasters' Stock Listing**

*OW1902040794 Tokyo KYODO in English 0358 GMT  
19 Feb 94*

[Text] Tokyo, Feb. 19 KYODO—The government will move to deregulate the domestic broadcasting business, scrapping curbs on television and radio companies listing stock, government sources said Saturday [19 February].

An advisory panel to the posts and telecommunications ministry will publish Monday a set of recommendations calling for wide-ranging deregulations on broadcasting firms, the sources said.

The centerpiece of the panel recommendations is a proposal to allow broadcasters to list their stock as freely as ordinary companies.

The ministry will adopt the proposal and lift the current restrictions on stock listing in March, the sources said.

To protect the broadcasting industry against intervention by outside capitals, the government imposes a virtual ban on Japanese broadcasting companies' going public, based on a revision in the commercial code in 1966.

The firms are currently required by the ministry, which issues licenses for broadcasting, to set a corporate rule that mandates an approval of the board for selling its shares.

Among the 189 broadcasting firms throughout the nation, only five are presently on the stock exchange, as they were already listed before 1966.

The new rule would give broadcasting companies full discretion over its stock listing, according to the sources.

They said the panel will also suggest allowing local broadcasting firms to expand into areas beyond local boundaries.

A restriction that forbids a company that holds a broadcasting station from holding more than 10 percent of shares in another broadcasting firm may also be eased, they said.

"The move will no doubt provide a favorable boost for the broadcasting companies that are considering stock listing," said a senior official of a major network.

**Panel Supports Deregulation**

*OW2102093794 Tokyo KYODO in English 0838 GMT  
21 Feb 94*

[Text] Tokyo, Feb. 21 KYODO—Broadcasting firms should be allowed to list their stocks publicly, an advisory panel to the Posts and Telecommunications Minister said Monday [21 February].

The current law that restricts broadcasting firms from going public should be lifted to let them procure funds in the multimedia age, the panel said in its report of recommendations.

Among other recommendations made in the nine-point proposal is the slight easing of a rule prohibiting one company from owning several broadcasting companies.

The panel also recommended that laws be reviewed to make television broadcasting across country borders possible, and that firms' broadcasting areas be enlarged.

The Posts and Telecommunications Ministry is likely to lift the stock-listing restriction in March and ease the rule on prohibiting ownership of several broadcasting firms within this year.

**Upper House Committee Approves Extra Budget**

*OW2302092494 Tokyo KYODO in English 0911 GMT  
23 Feb 94*

[Text] Tokyo, Feb. 23 KYODO—The House of Councilors Budget Committee on Wednesday [23 February] approved a third supplementary budget for fiscal 1993 to help finance the government's latest economic stimulus measures.

The extra budget will become law later in the day after being passed by the full upper house. The more powerful House of Representatives passed the budget program on Tuesday.

The third extra budget calls for a spending increase of some 2.19 trillion yen over the second supplementary budget.

It will help finance the largest-ever pump-priming package of 15.25 trillion yen, and increases the overall general account budget for the current fiscal year ending March 31 to about 77.44 trillion yen.



### **Coalition Tax Team Subcommittees Viewed**

*OW2202055394 Tokyo KYODO in English 0515 GMT  
22 Feb 94*

[Text] Tokyo, Feb. 22 KYODO—The governing coalition will launch three subcommittees under its Tax System Reform Council on Wednesday [23 February] afternoon, an official said Tuesday.

Koken Nosaka, chairman of the 15-member forum, told reporters the subcommittees will set up shop to handle welfare-related issues such as pensions and medical care, administrative and fiscal policies and the basics of the taxation system.

The three subcommittees will elect their respective chairman and vice chairman on Wednesday, said Nosaka, also chairman of the Diet Affairs Committee of the Social Democratic Party, the largest contingent in the seven-party coalition.

The subcommittees will compile reports on their topics by the end of May. The full tax system reform forum is scheduled to complete its discussion by the end of June to ensure that new tax system legislation can be compiled by year's end.

### **Minister Announces Lower Housing Loan Rates**

*OW2202041894 Tokyo KYODO in English 0341 GMT  
22 Feb 94*

[Text] Tokyo, Feb. 22 KYODO—The government will soon lower its housing loan corporation's standard lending rate to a new record low of 3.60 percent per annum, Construction Minister Kozo Igarashi said Tuesday [22 February].

The Housing Loan Corp.'s standard lending rate on housing with floor space of less than 125 square meters will be slashed by 0.15 percentage point from the current 3.75 percent, he said.

The lending rate on housing with floor space of between 125 square meters and 165 square meters will be lowered from 3.80 percent to 3.65 percent.

That on housing with floor space of between 165 square meters and 240 square meters will be trimmed from 3.85 percent to 3.75 percent.

The new rates will be adaptable to loans that were made from January 26.

### **Wholesale Price Index Drops in Early Feb**

*OW2202110894 Tokyo KYODO in English 0955 GMT  
22 Feb 94*

[Text] Tokyo, Feb. 22 KYODO—Japan's overall wholesale price index [WPI] in the first 10 days of February declined 0.2 percent from January 21-31, the Bank of Japan said Tuesday [22 February].

The February 1-10 WPI stood at 93.8 against 100 in the base year 1990. It was down 2.9 percent from a year earlier.

The domestic WPI, on which the central bank keeps a close eye, was unchanged from late January but fell 1.9 percent from a year earlier. The index was 97.5.

The central bank said prices of steel and electric appliances dropped due to sluggish demand, while those of pork and eggs rose because of a supply shortage and textile goods prices increased due to higher costs of imported materials.

The export price index gained 0.1 percent from late January and 4.7 percent year on year on a contract currency basis to stand at 104.7. Officials said higher prices of electric equipment pushed up the figure.

In terms of yen, the index dropped 1.2 percent from the preceding 11 days and 3.8 year on year to stand at 84.2, affected by the appreciation of the yen against major currencies.

The import price index on a contract currency basis gained 0.2 percent from late January but slipped 3.0 percent from a year before to 93.2. Prices of food and miscellaneous products went down, while those of primary aluminum and cotton were higher.

In yen terms, the index fell 0.8 percent from late January and 11.5 percent from a year before to 73.2.

### **Commercial Sales Said Down 4 Percent in 1993**

*OW2302081594 Tokyo KYODO in English 0746 GMT  
23 Feb 94*

[Text] Tokyo, Feb. 23 KYODO—Sales by commercial enterprises for 1993 decreased 4.0 percent from the previous year to 673,456 billion yen, marking the second consecutive yearly fall for the first time during the current recession, the Ministry of International Trade and Industry [MITI] said Wednesday [23 February].

Sales by wholesalers totaled 537.08 trillion yen, down 4.1 percent, while those by retail stores came to 136,376 billion yen, down 3.8 percent.

Wholesalers and retailers both incurred a drop for the second year running for the first time since statistics were taken in 1953, MITI said.

A MITI official attributed the poor performance by wholesalers to falling fuel and materials prices due to the strong yen, as well as sluggish personal spending and slack corporate capital spending, particularly by manufacturers.

Retailers were affected by an increasing consumer tendency for buying bargain-priced products and a drop in import prices amid the strong yen, the official said.

On a quarterly basis, sales by wholesalers dropped 3.1 percent in the October-December quarter from a year before, which was also attributable to the strong yen.

The fourth-quarter sales by retailers fell 3.5 percent, affected by an unusually warm winter, MITI said.



Business performance among both wholesalers and retailers is expected to remain stagnant in the near future, the official said.

### **Steelmakers Curtailing Blast Furnace Operations**

*OW2302092094 Tokyo KYODO in English 0826 GMT 23 Feb 94*

[Text] Tokyo, Feb. 23 KYODO—Major Japanese steelmakers are curtailing operations of their blast furnaces to increase cutbacks in pig-iron production amid a prolonged steel market slump, industry sources said Wednesday [23 February].

Pig iron is a direct product from blast furnaces and is refined to produce steel or remelted into special shapes.

The sources said, however, steelmakers are reluctant to shut down their furnaces, because once closed down it would cost more than 10 billion yen and take several months to restart.

Kawasaki Steel Corp.'s mill in Chiba, east of Tokyo, is running only two blast furnaces at reduced operation rates.

They said Sumitomo Metal Industries Ltd., Kobe Steel Ltd., Nippon Steel Corp. and NKK Corp. are running their blast furnaces at reduced operation rates, but they are still higher than Kawasaki Steel's cutbacks.

Nippon Steel and NKK export surplus pig iron to South Korea and Taiwan, the sources said.

If an oversupply in pig iron continues, the companies would have no choice but to consider shutting down the furnaces, the sources said.

### **Government Not To Raise Producers' Milk Price**

*OW2202045394 Tokyo KYODO in English 0422 GMT 22 Feb 94*

[Text] Tokyo, Feb. 22 KYODO—The government will not raise the guaranteed minimum price paid to farmers for milk for use for butter and other dairy products in fiscal 1994, Japan's farm minister said Tuesday [22 February].

Agriculture, Forestry and Fisheries Minister Eijiro Hata told reporters no such raise is being considered to deal with the scheduled conversion of nontariff barriers into tariffs for milk imports as agreed on at the Uruguay Round of multilateral trade talks in December.

A ministry advisory panel, the Livestock Industry Promotion Council, is expected to decide next month on the price for the year beginning April 1.

Farmers' organizations are calling for a raise in the price they receive for milk, currently 76.75 yen per kilogram, in the face of expected competition with imports.

### **Labor Market Attracts More Foreigners**

*OW2002084094 Tokyo KYODO in English 0826 GMT 20 Feb 94*

[Text] Tokyo, Feb. 20 KYODO—The number of foreigners coming to Japan in search of employment as technical or cultural experts has more than doubled since 1988, reaching 8,682 applicants in 1992, the Justice Ministry said Sunday [20 February].

While more companies are hiring foreigners to satisfy their needs for special expertise or to make use of their differing cultural backgrounds, the trend also shows that "Japan's labor market has become attractive (to foreigners)," the ministry's Immigration Bureau said.

A total of 9,445 foreigners received residence status as "technical" or "cultural" experts in international business in 1992.

More than 80 percent of the 7,336 foreigners who could be contacted for statistical purposes were in their 20s or 30s, and nearly 70 percent were men. By country, 2,750 came from the United States, followed by 1,157 from China and 757 from Britain.

A majority of the foreigners were working as language teachers at various kinds of schools. Computer-related jobs, commerce and trade were other areas in which many foreigners were working.

### **North Korea**

#### **CPC Liaison Delegation Arrives in Pyongyang**

*SK2202214994 Pyongyang KCNA in English 1515 GMT 22 Feb 94*

[Text] Pyongyang, February 22 (KCNA)—Li Shuzheng, head of the International Liaison Department of the Central Committee [C.C.] of the Communist Party of China, and his entourage arrived in Pyongyang today.

They were greeted at the airport by Hwang Chang-yop, secretary of the C.C., the Workers' Party of Korea and Ning Fukui, charge d' affaires ad interim of the Chinese Embassy in Korea.

#### **WPK Arranges Party**

*SK2302051094 Pyongyang KCNA in English 0459 GMT 23 Feb 94*

[Text] Pyongyang, February 23 (KCNA)—The Central Committee of the Workers' Party of Korea [WPK] arranged a party at the Mansudae Assembly Hall on the evening of February 22 for Li Shuzheng, head of the International Liaison Department of the Central Committee of the Communist Party of China, and his companions.

Present there were Hwang Chang-yop, secretary of the C.C. [Central Committee], the WPK; Kim Yang-kon,



vice-director of a department of the C.C., the WPK; and Chu Chang-chun, DPRK ambassador to China, and officials concerned.

Present on invitation were Qiao Zonghuai, Chinese ambassador to Korea, and embassy officials. Speeches were made there.

#### **Anniversary of Agreements With PRC Marked**

*SK2202043894 Pyongyang KCNA in English 0424  
GMT 22 Feb 94*

[Text] Pyongyang, February 22 (KCNA)—A reception was hosted Monday by the Committee for Cultural Relations with Foreign Countries and the Civil Aviation General Administration on the occasion of the 35th anniversary of the conclusion of the intergovernmental agreements on cultural cooperation and air services between the Democratic People's Republic of Korea and the People's Republic of China.

Chong Chun-ki, chairman of the Committee for Cultural Relations with Foreign Countries, and Ning Fukui, charge d'affaires ad interim of the Chinese Embassy here, made speeches at the reception.

#### **KCNA Notes ROK Opposition to Patriot Deployment**

*SK2302042694 Pyongyang KCNA in English 0422  
GMT 23 Feb 94*

[Text] Pyongyang, February 23 (KCNA)—The opposition Democratic Party of South Korea criticized on Feb. 21 the puppet Defence Ministry's decision to import Patriot missiles from the United States, according to a radio report from Seoul.

In a document manifesting its position, the party contended that the projected import of Patriot missiles must be cancelled in view of the North-South relations and other issues.

#### **U.S., ROK Joint Air Exercises Held 17-18 Feb**

*SK2002085894 Pyongyang KCNA in English 0813  
GMT 20 Feb 94*

[Text] Pyongyang, February 20 (KCNA)—The U.S. imperialists on Feb. 17 and 18 sent an overseas-based E-3 early warning plane called an air command post, pursuit-assault planes and tanker planes to the skies above South Korea for a provocative day-and-night joint aerial war exercise together with the South Korean puppets against the North, according to military sources.

This war game involved fighter planes based in Okinawa, Japan, and more than 450 fighter planes of different types belonging to the U.S. Air Force present in South Korea and the puppet Air Force. Flying above Yongwol, Chongju and Yesan of South Korea, they staged exercises of a surprise bombing on targets, a support to ground attack, a long-distance movement, entry into war and an aerial attack.

In separate action, the South Korean puppets on the 17th and 18th committed a war gamble against the North in the areas of Chorwon, Hwachon and Inje, South Korean Kangwon Province, and Yonchon in Kyonggi Province.

#### **Chongnyon Begins 'Rights of Compatriots' Campaign**

*SK2202043394 Pyongyang KCNA in English 0420  
GMT 22 Feb 94*

[Text] Tokyo, February 21 (KNS-KCNA)—The Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon) issued an appeal to all the officials of Chongnyon and Koreans in Japan on Feb. 21 in connection with the start of a "three-month campaign for the rights of compatriots."

The appeal says the campaign is a mass movement of innovation to achieve a new victory in the work for national reunification and all the patriotic work of Chongnyon this year, one year before the 50th anniversary of the August 15, 1945 liberation of Korea and the 40th anniversary of the founding of Chongnyon.

It calls for waging a grand movement to learn from the greatness of the sagacious leader at all Chongnyon organs, branches and families under the slogan "Let us learn from the illustrious leader Marshal Kim Chong-ill" and for strengthening the patriotic ranks of Koreans in Japan as ranks of people loyal to him.

"Let us all make a tangible contribution to the reunification of Korea in the 1990s through the implementation of '10-point programme of the great unity of the whole nation for the reunification of the country' in the patriotic spirit that 'my destiny is linked with the destiny of the country and the nation,' actively help toward the building of socialism in the homeland and increase the ranks of our supporters and sympathizers among the Japanese people," the appeal stresses.

#### **Korean Scientists Group From Japan Departs**

*SK2302004594 Pyongyang Korean Central  
Broadcasting Network in Korean 1500 GMT 15 Feb 94*

[Summary] A delegation of the Korean Social Scientists Association in Japan headed by (Pae In-ku), member of the standing committee of the association, left Pyongyang on 15 February by plane. Functionaries concerned sent off the delegation at the airport.

#### **Canadian Party Delegation Continues Visit**

##### **Meets Yi In-mo**

*SK2002085994 Pyongyang KCNA in English 0817  
GMT 20 Feb 94*

[Text] Pyongyang, February 20 (KCNA)—The members of the delegation of the Communist Party of Canada (M-L) led by its national leader Hardial Bains met with Yi In-mo, former war correspondent of the Korean People's Army, on February 19.



The head of the delegation said Comrade Yi In-mo maintained his faith and will as a communist for scores of years behind bars in South Korea and this is an example to be followed not only by the Korean people but also by the world communists and revolutionaries.

He stressed that any enemy can never bring the Korean people to their knees because they have the Workers' Party of Korea [WPK] which produced such incarnation of faith and will as Yi In-mo and they are wisely guided by the great leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il.

A member of the delegation Sandra Bains said it is an intolerable crime that the South Korean puppets had kept him behind bars for 34 years, putting him to all manner of inhuman persecution.

Noting that it was possible in the socialist homeland that Comrade Yi In-mo recovered his health, she said that while in Korea, the delegation could see socialism of Korea advancing dynamically.

Comrade Yi In-mo said he regained his life under the deep loving care of the great leader and the dear leader.

"I could undauntedly struggle, maintaining my faith and will, because I deeply trusted only the WPK, the leader and the socialist homeland," he added.

#### Joint Statement Issued

SK2302045594 Pyongyang KCNA in English 0436  
GMT 23 Feb 94

[Text] Pyongyang, February 23 (KCNA)—A joint statement was made public here Tuesday by the Workers' Party of Korea [WPK] and the Communist Party of Canada [CPC] (Marxist-Leninist—M-L).

According to the joint statement, both sides informed each other of the situation and activities of their parties and exchanged views on the matter of developing relations between the two parties and international issues of mutual concern and reached a complete consensus of views.

The WPK highly appreciated the CPC (M-L) that is maintaining the revolutionary principle even under the ceaseless manoeuvrings of the imperialists and their stooges to undermine the party and strengthening the party on a new basis, firmly building up the basic party organizations among the masses.

The WPK expressed support to the stand of the CPC (M-L) demanding respect for the sovereignty of all countries and all nations, dissolution of all forms of aggressive and predatory military and economic blocs including the NATO and the complete abolition of all kinds of mass destruction weapons.

The CPC (M-L) highly appreciated the great exploits of the respected leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il who have strengthened and developed the WPK into an invincible political organization of leadership and made it possible to steadfastly defend and

advance the socialist cause in whatever situation by firmly rallying the entire people around the party.

The CPC (M-L) expressed deep concern over the adventure of the U.S. authorities to put pressure on the Democratic People's Republic of Korea while breaking the promise it has made at the DPRK-U.S. talks and held that the United States should pull all nuclear weapons out of South Korea and stop the projected deployment of "Patriot" missiles and the nuclear war exercises if it wants a fair solution to the nuclear issue on the Korean peninsula.

It also expressed firm solidarity with the Workers' Party and the people of Korea in their struggle to realize national reunification in the form of confederacy based on one nation, one state, two systems and two governments on the three principles of independence, peaceful reunification and great national unity.

Both sides expressed common will to unite, cooperate and further strengthen solidarity with communist and workers' parties and other progressive political parties of different countries of the world on the principle of advancing the cause of working class of the whole world to victory while bearing responsibility for the revolution of their own country with independence as an important idea of unity.

#### Uruguayan Party Delegation Praises Kim Il-song

SK2002090694 Pyongyang KCNA in English 0831  
GMT 20 Feb 94

[Text] Pyongyang, February 20 (KCNA)—Comrade Kim Il-song is the most veteran leader of the revolution, said Pedro Balbi, executive general secretary of the Central Committee of the Communist Party of Uruguay.

The visiting delegation of the Communist Party of Uruguay headed by him was interviewed by KCNA here on February 16.

Pedro Balbi told the reporter that during the visit to Korea his delegation had the honour of being received by the great leader President Kim Il-song, who has established the unity of the leader, the party and the masses and is victoriously leading socialism of Korea.

Giving his impressions of Korea, the Uruguayan party leader said:

"I was struck with admiration at the tremendous achievements of the Korean people in socialist construction.

"The monumental edifices of Korea are so wonderful that they enjoy admiration from the world people.

"What impressed me most is that your country is training the rising generation to be fine personnel prepared ideologically, intellectually and physically.

"During our visit, we saw the staunch mettle of the Korean people determined to defend and exalt socialism.

"This hardened our confidence in socialist victory."



Roberto Catenachio, a member of the delegation, said socialism of Korea was built by the Korean people through self-reliance.

"The Korean people have registered great achievements in the building of socialism because they are closely rallied around their great leaders," he said.

He resolutely rejected all the sinister provocative acts made by the imperialists over the so-called "nuclear issue" of Korea.

Korea must be reunified in accordance with the great leader Comrade Kim Il-song's policy of national reunification, he stressed.

#### **Kim Il-song Sends Message to President of Guyana**

*SK2202105794 Pyongyang KCNA in English 1030 GMT 22 Feb 94*

[Text] Pyongyang, February 22 (KCNA)—President Kim Il-song of the Democratic People's Republic of Korea today sent a message of greetings to Guyanese President Cheddi Bharrat Jagan on the occasion of the 24th anniversary of the proclamation of the cooperative Republic of Guyana.

In his message President Kim Il-song wished the president and people of Guyana success in the work to achieve the stability of the country and develop the economy and expressed the belief that the friendly relations between the two countries will continue to develop.

#### **Kim Il-song Greet's Prime Minister of St. Lucia**

*SK2102114594 Pyongyang KCNA in English 1026 GMT 21 Feb 94*

[Text] Pyongyang, February 21 (KCNA)—President Kim Il-song of the Democratic People's Republic of Korea sent a message of greetings to Prime Minister John George Melvin Compton today on the occasion of the 15th anniversary of the independence of Saint Lucia.

In the message President Kim Il-song wished the prime minister and people of Saint Lucia success in their efforts for the prosperity of the country and expressed the belief that the friendly relations between the two countries would continue to develop.

#### **Italian Institute Chief Arrives in Pyongyang**

*SK2202215194 Pyongyang KCNA in English 1513 GMT 22 Feb 94*

[Text] Pyongyang, February 22 (KCNA)—Secretary general of the Italian Institute of International Relations Giancarlo Elia Valori arrived here today.

#### **Comrade Kim Chong-il's Works Reported Abroad**

*SK2002085094 Pyongyang KCNA in English 0807 GMT 20 Feb 94*

[Text] Pyongyang, February 20 (KCNA)—"Abuses of Socialism are Intolerable", a work of the dear leader

Comrade Kim Chong-il, was carried by the Bangladesh papers BANGLA BANI, AL AMIN, FERREZ KHAJOZ, GONO GONTU and KHABAR, the Yemeni paper AL MUSTAQBAL and the Senegalese paper LE TEMOIN.

The Tanzanian paper MFANYA KAZI carried the work "On the Fundamentals of Revolutionary Party Building" and the Pakistani paper WAFAQ the work "Our Socialism Centred on the Masses Shall Not Perish".

The work "The Historical Lesson in Building Socialism and the General Line of Our Party" was reported by the Mongolian paper ULAANBAATAR, Radio of Equatorial Guinea and Radio Citta Aperta of Italy.

#### **Foreign Groups Support 31 Jan Ministry Statement**

*SK2202042694 Pyongyang KCNA in English 0407 GMT 22 Feb 94*

[Text] Pyongyang, February 21 (KCNA)—Public figures and organizations of different countries have expressed full support to the January 31 statement of the DPRK Foreign Ministry spokesman condemning the United States for resorting to unreasonable pressure, reversing the DPRK-U.S. agreements.

Branko Kitanovic, general secretary of the new Yugoslav Communist Movement, said in an interview with the KCNA correspondent in his country on Feb. 7 that it was a base betrayal to a partner of the dialogue and an intolerable challenge to the fair public opinion that the United States pronounced an ultimatum, crying for so-called full-scope inspections and "sanctions".

The nuclear issue on the Korean peninsula can never be solved by pressure and threat, he said.

The Mali-Korea Friendship Association said in a statement on Feb. 4 that the nuclear issue on the Korean peninsula cannot be solved by means of force and only the dialogue is the realistic way for the solution.

It strongly urged the United States to immediately come out to the third round of the DPRK-U.S. talks.

The Zambia-Korea Friendship Association strongly demanded in a statement on Feb. 5 that the United States stop a very dangerous row of pressure upon the DPRK, implement the promise to the partner of the dialogue and discharge its duty in the spirit of the DPRK-U.S. agreement.

Ranbir Singh, chairman of the Indian Committee for Supporting Korea's Reunification, said in an interview with the KCNA correspondent in his country on Feb. 4 that the United States must give up its unreasonable pressure regarding the "nuclear issue", stop the provocative moves for another war and honestly accede to the DPRK-U.S. talks.



**Foreign Groups Support Ministry Statement***SK2302043394 Pyongyang KCNA in English 0409  
GMT 23 Feb 94*

[Text] Pyongyang, February 22 (KCNA)—World political and public circles express full support to the January 31 statement of a spokesman for the Foreign Ministry of the DPRK which was made public in connection with the grave situation created by the perfidious acts of the United States.

Twenty-two political parties and organisations of Peru including the Socialist Political Action Party, the Communist Party and the General Confederation of Workers, released a joint statement on February 6.

The statement manifested full support and firm solidarity for the cause of the Workers' Party of Korea, the DPRK Government and people for defending their sovereignty and system chosen by themselves and for peace on the Korean peninsula and peaceful reunification of the country.

It appealed to all the political parties, governments and peoples of the world who value peace and justice to support and encourage the DPRK's just stand for a solution of the nuclear problem on the Korean peninsula.

Seven political parties and organisations of Pakistan including the Socialist Party, the Pakistan Organisation for Afro-Asian People's Solidarity and the Federation of Trade Unions issued a joint statement on February 8 urging the United States to approach the third round of DPRK-U.S. talks with a sincere attitude and position.

The statement said that if the U.S. Administration really has a willingness to solve the nuclear issue on the Korean peninsula in a peaceful way, it must honestly implement the DPRK-U.S. joint statement and not drive the situation to a catastrophe.

Five organisations of Tanzania, including the Youth Union and the Scientific and Technical Association in a joint statement on February 3 said that the United States must renounce the policy of strength and immediately withdraw its troops and nuclear weapons from South Korea, mindful that a nuclear war on the Korean peninsula would bring irreparable grave consequences to the Korean people and the world people.

A former general of Greece, George Pattas, chairman of the Western European Committee for Korea's Reunification and Peace, in a press statement on February 6 said that the U.S. hardline conservative forces are deliberately straining the situation by threatening to deploy even Patriot missiles in South Korea in a bid to overpower North Korea militarily. This will only result in obstructing an early and peaceful solution of the nuclear problem on the Korean peninsula through DPRK-U.S. talks, he added.

**Foreign Party Leaders Support WPRK 'Struggle'***SK2102112094 Pyongyang KCNA in English 1011  
GMT 21 Feb 94*

[Text] Pyongyang, February 21 (KCNA)—Foreign party leaders expressed full support to the just struggle of the Workers' Party [WPK] and people of Korea.

Moses M. Garoeb, secretary-general of the South West Africa People's Organization of Namibia, said on February 3 when he met with a WPK delegation that he had been greatly encouraged by the fact that in Korea, the leader, the party and the masses united in one mind under the wise leadership of the dear leader Comrade Kim Chong-il are successfully building socialism even under the complicated international situation.

The revolutionary economic strategy set forth at the 21st plenary meeting of the sixth Central Committee of the Workers' Party of Korea is a wise step, he noted, voicing support to all the policies of the WPK including the national reunification policy.

Indrajit Gupta, general secretary of the National Council of the Communist Party of India, told the Korean ambassador that his party would as ever extend full support to the just struggle of the WPK and the Korean people.

He said they resolutely oppose the moves of the United States putting pressure upon the DPRK on the pretext of the "nuclear issue".

P.V. Svoik, co-chairman of the Socialist Party of Kazakhstan, met with the Korean ambassador to his country on Feb. 11, saying the stand of the DPRK that the nuclear issue on the Korean peninsula should be solved through DPRK-U.S. talks is just, he expressed full support to it.

**Hanminjon Mission in Syria Holds News Briefing***SK2302050394 Pyongyang KCNA in English 0446  
GMT 23 Feb 94*

[Text] Pyongyang, February 23 (KCNA)—A press conference was held at the mission of the South Korean National Democratic Front (Hanminjon) in Syria, according to a report.

Chief of the mission Yi Nam-ho told it that an enlarged meeting of the Presidium of the Central Committee of Hanminjon which was held recently in Seoul fully approved and supported the New Year address of the great leader Comrade Kim Il-song, the sun of the nation, and manifested the firm will to make this year a historical year of national reconciliation and unity by accelerating the nationwide grand march for reunification under the banner of "10-point programme of the great unity of the whole nation for the reunification of the country".

Stating that Hanminjon, together with the entire people, determinedly declared its break with the Kim Yong-sam traitorous regime and solemnly vowed to overthrow it and resolved to accelerate the independence and democratisation of society and the reunification of the country, he



called for support and solidarity for the struggle of Han-minjon and the South Korean people.

Yi answered questions put by reporters at the press conference.

#### **Kim Chong-il Birthday Celebration Held Abroad**

*SK2002084894 Pyongyang KCNA in English 0804  
GMT 20 Feb 94*

[Text] Pyongyang, February 20 (KCNA)—Celebrations took place in different countries on the birthday of the dear leader Comrade Kim Chong-il.

A celebration reception was given in Kampala, Uganda, in the joint name of the International Institute of the Chuche Idea and the Ugandan preparatory committee of the international seminar on the chuche idea for the independent development and cooperation of the world peoples.

The reception was addressed by prominent figures of different countries including David Kibirango, advisor to the Ugandan president in charge of special affairs.

The speakers stressed that as it is guided by the dear leader Comrade Kim Chong-il with rare wisdom, iron will and intelligence, Korea is displaying to the world its might as a symbol and banner of the world people's struggle for independence.

Holding him in high esteem as the lodestar of the cause of global independence is a great honour of the world's progressive people, a privilege and happiness of the present era with the twentyfirst century in the offing, they said. Colorful functions including Korean photo exhibitions, film shows, celebration lectures, meetings and film weeks were held at the irrigation state department committee of the Ministry of Agriculture of the Mozambique Liberation Front Party, the Zairean youth group for the study of the chuche idea, Kladno county committee of the Czechy-Morava Communist Party, Liaoning University of China, Enugu state of Nigeria, Johore state of Malaysia, the Ministry of Defence of Guinea, GUYANA TIMES office of Guyana, Cairo of Egypt, Fredrikstad of Norway and other countries.

The Jordanian paper AL-ASR ALJEDID, the Tanzanian paper MFANYAKAZI, the Algerian paper HABAR, the Indian paper SAMACHAR POST and the Swedish paper PROLETAREN carried special writeups on the birthday of Comrade Kim Chong-il.

#### **Cambodian Leaders Send Greetings**

*SK2102045894 Pyongyang KCNA in English 0442  
GMT 21 Feb 94*

[Text] Pyongyang, February 21 (KCNA)—The dear leader Comrade Kim Chong-il received a greeting card and floral basket in the joint name of First Prime Minister Norodom Ranariddh and Second Prime Minister Hun Sen of the government of Cambodia, on his birthday.

A member of the Secretariat of the Cambodian Government, authorized by the prime ministers, handed the card and basket to the Korean ambassador to Cambodia on Feb. 15.

#### **Foreign Leaders Greet Kim Chong-il**

*SK2202042894 Pyongyang KCNA in English 0411  
GMT 22 Feb 94*

[Text] Pyongyang, February 22 (KCNA)—The dear leader Comrade Kim Chong-il received messages of greetings from party leaders of different countries on the occasion of his birthday.

The messages came from First Secretary of the Central Committee of the Bolivian Communist Party Jorge Ibanez Castro, General Secretary of the Central Committee of the Communist Party of Honduras Rigoberto Padilla Ruz, General Secretary of the People's Electoral Movement of Venezuela Adelso Gonzalez Urdaneta, Secretary General of the Central Committee of the People's Vanguard of Costa Rica Humberto Vargas Carbonel, coordinator of the Central Committee of the People's Party of Costa Rica Eduardo Mora Valverde, Chairman of the Central Committee of the Brazilian Communist Party Joao Amazonas and General Secretary Guzman Rivera Castaneda and International Secretary Luis Flores of the Socialist Revolutionary Party of Peru.

The messages extended warm congratulations and friendly greetings to Comrade Kim Chong-il and wished him a long life in good health.

They expressed full support and solidarity for the struggle of the Workers' Party of Korea for socialist construction and national reunification.

#### **Foreign Party Leaders Send Messages**

*SK2302043994 Pyongyang KCNA in English 0421  
GMT 23 Feb 94*

[Text] Pyongyang, February 23 (KCNA)—The dear leader Comrade Kim Chong-il received messages of greetings from party leaders of different countries on the occasion of his birthday.

The messages came from general secretary of the C.C. [Central Committee], the Workers' Party of Bangladesh Rashed Khan Menon, General Secretary Peter Symon and President Hanna Elina Middleton of the C.C., the Socialist Party of Australia, general secretary of the C.C., the Jordanian Communist Party Yacob Zayadine, General Secretary of the People's Unity Party (Unionist) of Jordan Talal Hafun Ala Mai, secretary of the regional leadership of the Arab Socialist Baath Party of Lebanon Abdallah Al Chahal and chairman of the C.C., the Burundi Party of Unity for National Progress Nicola Mayugi.

They extended the warmest congratulations to Comrade Kim Chong-il and wished him a long life in good health.



They expressed the belief that the bonds of cooperation and friendship between their parties and the Workers' Party of Korea would strengthen and develop.

Comrade Kim Chong-il also received a message of greetings from the political committee of the Central Committee of the Communist Party of Chile on his birthday.

#### More Greetings Arrive

*SK2102111794 Pyongyang KCNA in English 1002 GMT 21 Feb 94*

[Text] Pyongyang, February 21 (KCNA)—The dear leader Comrade Kim Chong-il received messages of greetings from foreign state and party leaders on his birthday.

The messages came from Valentine Esegagbo Melvin Strasser, head of state and chairman of the National Provisional Ruling Council of Sierra Leone; Daniel Ortega Saavedra, secretary general of the Sandinist National Liberation Front of Nicaragua; Chairman Timo Lahdenmaki and General Secretary Heikki Mannikko of the For Peace and Socialism-the Communist Workers' Party of Finland; Farouk Dahrouj, general secretary of the C.C. [Central Committee], the Lebanese Communist Party; Walid Jumblatt, president of the Socialist Progressive Party of Lebanon; and Inaam Raad, chairman of the Nationalist Socialist Party of Syria in Lebanon.

They extended the warmest congratulations to Comrade Kim Chong-il and wished him good health and long life.

They expressed the belief that friendly and cooperative relations between their countries and Korea and between their parties and the Workers' Party of Korea would further strengthen.

#### Embassy in Cuba Celebrates Birthday

*SK2302035294 Pyongyang Korean Central Broadcasting Network in Korean 1200 GMT 17 Feb 94*

[Summary] Our country's embassy in Cuba held celebrations for dear leader Comrade Kim Chong-il's birthday.

A banquet was held on 15 February. Invited to the banquet were members of the Central Committee of the Communist Party of Cuba, including Jose Ramon Fernandez Alvarez, vice president of the Council of Ministers; the Navy commander; the general coordinator of the International Department of the party Central Committee; a secretary to Comrade Fidel Castro Ruz, who is also chairman of the Cuban Committee for Supporting the Reunification of Korea; and party, political organizations, military, social organizations, and publishing industry functionaries, including the president of GRANMA newspaper.

A representative of the South Korean National Democratic Front (Hanminjon) in Cuba was also invited. Our country's Ambassador Kim Song-yong and embassy staffers attended the banquet.

The attendees toasted the longevity of Kim Il-song, Kim Chong-il, and Fidel Castro Ruz.

On the same day, a news conference was held to commemorate Kim Chong-il's birthday.

#### Loyalty Meetings Held on Birthday

*SK2202031294 Pyongyang Korean Central Broadcasting Network in Korean 2200 GMT 19 Feb 94*

[Text] On the occasion of the felicitous February national day, people throughout the country and officers and men of the revolutionary Armed Forces held meetings to take an oath of loyalty to supreme commander Comrade Kim Chong-il, the dear leader of our party and people.

The great leader Comrade Kim Il-song has taught: Today our people are filled with the burning resolve to defend our party politically, ideologically, and with life in the face of any tribulations and storms and to share fate with the party to the end.

The meetings to take an oath of loyalty to the great leader [yongdoja] to the end were held in institutions, plants, enterprises, cooperatives, schools, units of the Korean People's Army [KPA] and the Korean People's Security Forces, [word indistinct] in the mountains, television stations, [word indistinct] islands, and even on navigating trade ships.

The meetings were attended by the people of all strata throughout the country, including old anti-Japanese revolutionary fighters, who are seniors of our revolution; veterans of the fatherland liberation war; functionaries of the party power organizations and the working people's organizations; workers; farmers; soldiers; intellectuals; and youths and students.

Officers and men of the three services of the KPA held a meeting at the face of the native home of the historic Mt. Paektu secret camp. At the meeting, the KPA officers and men deeply expressed the conviction that as long as there is General Kim Chong-il, supreme commander of our revolutionary Armed Forces, the one-a-match-for-100 revolutionary forces will be powerful and ever-victorious. They solemnly pledged to firmly uphold the church-oriented revolutionary cause by fulfilling the missions assigned by the country, people, times, and revolution.

They chanted slogans, which showed their firm pledge to become a fortress and shield to defend with armed forces our supreme commander, to become rifles and bombs, and to smash any strong enemies in a stroke under the great commander's leadership.

Heroic working classes of each district plant and enterprise—such as Musan coal mining complex, Kim Chaek iron-steel complex, Namhung youth chemical complex, other large-scale extracting bases, metallurgical bases, and large-scale chemical industry bases—solemnly resolved to uphold Comrade Kim Chong-il, the fate of our nation and incarnation of victory and glory, as the pillar of faith and will for good.

Agricultural working people, who are accelerating final preparations for new year's farming with the single resolve to glorify this year marking the 30th anniversary of the



publication of the socialist rural theses with bumper crops, took an oath of loyalty on the occasion of the significant February national day.

In the meetings held at various cooperatives, including Mangyongdae cooperative, Chongsan cooperative, and Wonhwa cooperative, agricultural working people pledged to firmly uphold the dear leader Comrade Kim Chong-il, to brilliantly implement the party's agriculture-first policy, and to discharge the mission of revolutionary fighters who should glorify the socialist fatherland with grain.

Intellectuals across the country, who live and struggle with the glory and pride as our party's eternal companions, loyal defenders, and good advisers, took an oath of loyalty to bring into full bloom the worthwhile life of the revolutionary intellectuals, by more firmly rallying around Comrade Kim Chong-il, father [oboi] and great teacher [widaehan susung] of valuable political life.

Youth and students throughout the country, like the young communists who followed Hanbyol during the dawning of the Korean revolution, took an oath of burning loyalty to live a genuine life as the youth vanguards of the dear leader Comrade Kim Chong-il and to create miracles and feats in difficult and tough outposts to defend and glorify the socialism of our own style centered on the popular masses, that is, the life and living of our people.

The oath of loyalty taken on the historic February holiday is the unprecedented expression of infinite respect and loyalty to the great leader [yongdoja], who provides our people with the most valuable dignity and happiness in the world. The oath of loyalty is also the demonstration of the firm faith and fidelity of the people of all strata and officers and men of the revolutionary Armed Forces to believe and follow Comrade Kim Chong-il, who is the fate and loadstar of our nation, like the God, and to resolutely defend and glorify the socialism of our own style to the end.

#### **Gifts Conveyed to Island Children**

*SK2202063294 Pyongyang Korean Central  
Broadcasting Network in Korean 0100 GMT 16 Feb 94*

[Text] When the whole country is significantly celebrating the February national day as the greatest national felicitous day, helicopters of the Air Force of the Korean People's Army yesterday conveyed, by order, the party's beneficence gifts to children and students at Taehwa Island, Tado Island, Tando Island, and Suun Island on the west sea.

Students of the people's schools, kindergartens, and nursery schools and their parents, who received gifts of love, cried, because they were greatly touched by the party's benevolence of showing care equally to the students in remote islands, as well as to the students on the land.

Upholding the great leader's [suryong] noble intent of getting the greatest happiness in loving and caring for the future generation—flower of the class, flower of the nation,

and flower of mankind—and under our party's benevolence of showing all love and consideration for the future of fatherland and revolution, helicopters have delivered gifts to approximately 80 islands a year for 10 years in February.

The dear leader Comrade Kim Chong-il established, without sparing money, a school on an island where only one or two children live, who should go to the people's school; sent modern transport ships there; and provided a helicopter in winter when the ship cannot operate. This proud reality is not only the great appearance created by the dear leader Comrade Kim Chong-il's human-loving politics, but also a clear demonstration of the superiority of the socialism of our country centered on the popular masses.

#### **Kim Chong-il Sends Thanks to Light Industry**

*SK2302045694 Pyongyang Korean Central  
Broadcasting Network in Korean 1200 GMT 21 Feb 94*

[Summary] The dear leader Comrade Kim Chong-il sent thanks to plants and enterprises which showed good examples in implementing the policy of the light industry revolution.

Messages of thanks were delivered to general bureaus of each provincial local industry; the Korea Tobacco Company; the Pyongyang and Hamhung Vinyl Chloride Shoe Plants; Pyongyang Children's Food Plant; Sunchon Shoe Plant; Sinuiju, Kangye and Hyesan Shoe Plants; Wonsan Veterans' Plastic Daily Necessities Plant; Wonsan and Sinchon Tobacco Plants; and Kaesong Cosmetics Producers' Cooperative.

The plants and enterprises have increased production of various people's consumer goods. These units contributed to improving working people's lives by outstandingly fulfilling the people's economic plan every month and every quarter through well-organized production and management, and excellent performances in technical guidances and supply of materials.

Meetings to deliver Kim Chong-il's thanks were held in respective units. Functionaries concerned and employees of respective units participated in the meetings. Participants held discussions and adopted pledge messages and resolutions to Kim Chong-il.

#### **Kim Chong-il Sends Birthday Table to Designer**

*SK2102113094 Pyongyang KCNA in English 1018  
GMT 21 Feb 94*

[Text] Pyongyang, February 21 (KCNA)—The dear leader Comrade Kim Chong-il sent a 60th birthday table to Chon Chae-yun, head of the Kim Chong-tae Electric Locomotive General Enterprise Branch of the Rolling Stock Design Office under the Ministry of Railways.

Chon Chae-yun, a labour hero and a merited designer, projected "Red Flag No. 1", the first electric locomotive in Korea, and is now devoting himself to introducing heavy



rail, modernizing railways and consolidating the material and technical foundations of railways.

#### **Kim Chong-il Thanks Various Officials, Employees**

*SK2102045994 Pyongyang KCNA in English 0444  
GMT 21 Feb 94*

[Text] Pyongyang, February 21 (KCNA)—The dear leader Comrade Kim Chong-il extended thanks to officials, creative workers and employees of the Mansudae Art Studio.

They well shaped and built the monument to victory in the fatherland liberation war, a grand monumental edifice of the Workers' Party era, as a masterpiece and produced sculptures for decorations in Kwangbok and Tongil Streets and placed them in harmony, renewing the looks of the capital city.

Comrade Kim Chong-il also sent thanks to officials and employees of the Taesong general direct sale shop.

They contributed to improving the living of citizens by carrying on the supply of goods creditably.

#### **Army Artwork Depicting Kim Chong-il Discussed**

*SK2102111994 Pyongyang KCNA in English 1016  
GMT 21 Feb 94*

[Text] Pyongyang, February 21 (KCNA)—The art studio of the Korean People's Army has brought out many fine art works portraying Comrade Kim Chong-il, the ever-victorious iron-willed brilliant commander and supreme commander of the Revolutionary Armed Forces.

According to data available, the Army's creative workers have created some 960 excellent works of art in a little more than two years, including 50 works representing the great brilliant commander.

Korean paintings "General Kim Chong-il, Brilliant Commander of Paektu" and "Marshal Kim Chong-il, Supreme Commander of the Revolutionary Armed Forces", an oil painting "Our Father, General Kim Chong-il" and other drawings enable the viewers to cherish more deeply the feelings of unquestioned worship and respect for Comrade Kim Chong-il who is possessed of rare wisdom, distinguished intelligence, ever-victorious commandership, iron will and matchless grit.

Among the famous pictures showing Comrade Kim Chong-il's warm love of soldiers are Korean paintings "The Dear Leader Calling at the Post on an Islet" and "Real Mother of Soldiers" and an oil painting "Military Port in the Evening".

A Korean painting "General Kim Chong-il Is Our Destiny", a gem painting "Recollecting the Spring in an Alien Land", an oil painting "First Footprint of the Mt. Paektu Secret Camp" and a wood carving "Deer" are works created recently on the occasion of the auspicious February holiday.

Creative workers now are working hard to create masterpieces of value as a national treasure representing the greatness and immortal exploits of Comrade Kim Chong-il, supreme commander of the Korean People's Army who is dynamically advancing the cause of socialism, smashing every anti-socialist, anti-DPRK moves of the imperialists with his iron will and superb, matchless intelligence.

#### **Kim Il-song's Letter to LSWYK Commemorated**

*SK2202044594 Pyongyang KCNA in English 0431  
GMT 22 Feb 94*

[Text] Pyongyang, February 22 (KCNA)—A meeting was held here Monday to celebrate the first anniversary of the publication of "young people must accomplish the revolutionary cause of chuche, upholding the leadership of the party", the letter addressed to the 8th Congress of the League of Socialist Working Youth of Korea [LSWYK] by the great leader President Kim Il-song.

President Kim Il-song in his historical letter reviewed the glorious course of struggle covered by the Korean young people and their immortal contributions to the advance of the Korean revolution and gave a comprehensive exposition of the fighting tasks facing the Korean people and youth to meet the requirements of a new, higher stage of the developing revolution and ways for their fulfilment.

President Kim Il-song said that the young people should support the leadership of the party with loyalty, united in one mind around Comrade Kim Chong-il, and thoroughly establish the party's leadership system in the league.

Chairman of the Central Committee of the LSWYK Choe Yong-hae in his report at the meeting said that the letter is an immortal great programme of the youth movement indicating the way to be followed by the socialist youth movement and a highly important work giving the conviction of victory and courage to the world's revolutionary people and youth.

The reporter referred to a new upswing effected in the work of the LSWYK and a great change in the ideological and spiritual traits through energetic efforts to implement the tasks set forth in the letter.

"The officials of the LSWYK and the young people are now striving hard to prepare themselves to be young vanguards defending the party and the leader in the van with their lives and lifeguards and death-defying corps defending and glorifying Korean-style socialism centred on the popular masses, holding aloft the slogan 'Let us uphold the dear leader Comrade Kim Chong-il with singlehearted unity!' and loudly singing the song 'No Motherland Without You'", the reporter said, and stressed:

"All the young people should firmly prepare themselves to be true vanguard fighters unfailingly loyal to the dear leader Comrade Kim Chong-il, united around him in one mind in order to carry through the tasks set forth in the historical letter of the great leader President Kim Il-song and successfully carry forward the revolutionary cause of chuche to completion."



### **Politburo Member Delivers WPK's Thanks to Mine**

*SK2202101994 Pyongyang Korean Central Broadcasting Network in Korean 0100 GMT 13 Feb 94*

[Text] A meeting was held at Songchon Mine to deliver a thank-you message from the Workers Party of Korea [WPK] Central Committee to the working class, functionaries, and three revolutions team members of this mine, who have achieved great results in producing nonferrous metallic minerals.

Comrade Han Song-yong, member of the Political Bureau of the WPK Central Committee and secretary of the party Central Committee; functionaries concerned; and employees and three revolutions team members of the mine were present at the meeting.

At the meeting, Comrade Han Song-yong delivered the WPK Central Committee's thank-you message to the working class, functionaries, and three revolutions team members of Songchon Mine.

The thank-you message extended warm gratitude to the entire working class, functionaries, and three revolutions team members, who have achieved great results in producing nonferrous metallic minerals, with revolutionary zeal and creative activeness and upholding the party's revolutionary economic strategy.

The thank-you message pointed out: After rising up as one, upholding the party's militant appeal, the working class and functionaries of Songchon Mine explored and mobilized internal reserves and vigorously carried out a movement for technological innovation, so that they could achieve proud results, overfulfilling last year's production quotas in all indices of products.

The message noted: With the revolutionary spirit of self-reliance and fortitude, the working class and functionaries of the mine have arranged many high-grade iron ore fields and equipped them with various facilities, so that they increased the transporting, drilling, and picking capabilities and consolidated the material and technological grounds for increasing the mineral production.

The message noted: By vigorously carrying out a mass movement for technological innovation, workers and technicians prepared various tool production bases inside the mine, produced ore crushers there, and introduced various precious technologies, thus actively contributing to increasing the labor productivity and developing the national mining in a *chuche* way.

The message highly assessed the working class, functionaries, and three revolutions team members of Songchon Mine who increased the mineral production with fervent loyalty to the party and the leader by displaying their revolutionary spirit and militant strength, thus making great contribution to accelerating the light industrial revolution and elevating the people's living standard.

The message expressed the firm belief that the working class, functionaries, and three revolutions team members

of Songchon Mine will excellently repay the party's great confidence and expectations with responsible accomplishment of their revolutionary duties in overflowing revolutionary faith and optimism and under the party's leadership.

Next, Han Il-kun, chief technician of the mine; Yi Chongkil, leader of a platoon; Kim Won-sop, member of a three revolutions team made speeches to express their resolve.

The speakers said that Songchon Mine could achieve great results in producing nonferrous metallic minerals because the great leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il had clearly elucidated the road for the mine and wisely led it. They stressed on the need to create a new turning point in production, upholding the great leader's New Year's address and the decisions made by the 21st plenary session of the Sixth WPK Central Committee.

They mentioned the need to be firmly armed with our party's *chuche* idea and keep vigorously advancing at the Chollima speed of the nineties. They said that based on achieved results, the mine will, above all, give priority to drilling, diversify the way of transportation, increase the ore-dressing capacity, and take measures for supplying materials, so as to normalize the production of nonferrous metallic minerals at a high level.

They stressed that the mine will produce more minerals by actively introducing advanced drilling, picking, and ore-dressing methods, and by vigorously carrying out the struggle to modernize machinery facilities and processing lines.

A resolution was adopted at the meeting.

### **National Agricultural Conference Scheduled**

*SK2002085294 Pyongyang KCNA in English 0810 GMT 20 Feb 94*

[Text] Pyongyang, February 20 (KCNA)—A national agricultural conference will be held grandly in Pyongyang, the capital of revolution, on the occasion of the 25th of February 1994, marking the 30th anniversary of the publication of "Theses on the Socialist Rural Question in Our Country" by the great leader President Kim Il-song.

The conference will be attended by officials of the agricultural domain and cooperative farmers who had devotionally struggled for the socialist rural construction along the road indicated by the rural theses, upholding the wise leadership of the party and the leader in the past.

It will proudly sum up the great victory and brilliant achievements made in the implementation of the rural theses in the past 30 years and discuss the tasks to further consolidate and develop the socialist rural economic system in our country.

The conference will mark an occasion in powerfully demonstrating the validity and vitality of the rural theses, the great programme of socialist rural construction, and the advantages of the socialist rural economic system in our



country and in displaying the invincible might of the anthropocentric Korean-style socialism which is vigorously advancing under the revolutionary banner of the *chuche* idea.

**'Vitality' of Kim Il-song's Rural Theses Hailed**  
*SK2202105594 Pyongyang KCNA in English 1029*  
*GMT 22 Feb 94*

**["Great Vitality of Socialist Rural Theses"—KCNA headline]**

[Text] Pyongyang, February 22 (KCNA)—NODONG SINMUN today carries an article entitled "Great Vitality of Socialist Rural Theses" on the lapse of 30 years since the great leader President Kim Il-song published the immortal classical work "Theses on the Socialist Rural Question in Our Country" on February 25, 1964.

The paper says the rural theses is a perfect programme of rural construction which indicates the way of a most successful solution of the socialist rural question on the basis of the *chuche* idea.

It quotes the dear leader Comrade Kim Chong-il as saying:

"Theses on the socialist rural question in our country" authored by the great leader Comrade Kim Il-song is our party's programme of building the countryside and a bright blueprint for a final solution of the rural question."

In the past period the theses has been successfully applied to the rural construction in Korea, demonstrating its great vitality and proving its greatness, correctness and truth, the paper notes, and goes on:

The validity and invincible vitality of the rural theses lie, above all, in that it has powerfully accelerated the revolutionization and working-classization of the peasants and immensely strengthened the driving force of socialism in the countryside.

All the agricultural working people in Korea are now firmly armed with the great *chuche* idea of our party and closely rallied behind the party and the leader in ideology and purpose and in morality and sense of obligation. They are making vigorous efforts to bringing into practice the party's far-reaching plan of rural construction, helping and leading each other forward under the slogan of collectivism—one for all and all for one. This is the noble traits of our peasants.

Its validity and vitality are also manifested in that it has constantly consolidated the material and technical foundations of the rural economy and brought a fresh development of the agricultural production.

With the successful implementation of the policy of rural technical revolution, irrigation and electrification were flawlessly completed on a high level long ago and a signal progress has been made in mechanization and extensive use of chemicals in Korea.

Modern means of agricultural science and technique have been massively introduced into the rural economy and the most advantageous *chuche* farming method has been applied with the result that Korea reaps bumper crops every year.

The validity and vitality of the theses are highly displayed also in that the level of guidance and management of the rural economy has been steadily enhanced and the gap between towns and countryside considerably narrowed in all spheres.

Thanks to the *chuche*-based agricultural guidance system with the county cooperative farm management committee as its center, the guidance and management of the rural economy have been improved and the leadership role of the all-people property over cooperative property enhanced to eliminate the distinctions between the towns and rural areas in ownership and management.

The level of the general knowledge of the peasantry and their technical and cultural standards have been markedly raised with the cultural revolution pushed ahead in the countryside, and the gap between the towns and the countryside in cultural living conditions has been narrowed with the introduction of water and bus services into the countryside and the expansion of the TV networks to cover it and the conversion of village clinics into hospitals.

Those proud victory and achievements made in rural construction through the successful application of the great rural theses in Korea are entirely results of the wise leadership of the party and the leader, concludes the article.

**Film Week Marks Anniversary of Rural Theses**  
*SK2202043494 Pyongyang KCNA in English 0422*  
*GMT 22 Feb 94*

[Text] Pyongyang, February 22 (KCNA)—A film week began on Monday to commemorate the 30th anniversary of the publication of the socialist rural theses.

During the week documentaries showing the revolutionary activities of the respected leader President Kim Il-song and the dear leader Comrade Kim Chong-il and feature films impressively showing the efforts of the Korean people to build the socialist countryside and fully implement the *chuche* farming method and scientific films will be screened.

Among them are documentaries "Long Live the Great *Chuche* Farming Method" and "Prosperous Socialist Countryside of our Country" and feature films "A Girl Talking With the Land" and "A Loyal Heart".

**Photo Exhibition Opens**

*SK2302043494 Pyongyang KCNA in English 0427*  
*GMT 23 Feb 94*

[Text] Pyongyang, February 23 (KCNA)—A national photo exhibition to commemorate the 30th anniversary of the publication of the socialist rural theses opened here Tuesday.



On display are more than 100 photos showing the immortal exploits of leadership performed by the respected leader President Kim Il-song and the dear leader Comrade Kim Chong-il in carrying into effect the rural theses and the great changes brought in ideological, technical and cultural sectors in the countryside of Korea during the past 30 years since the publication of the great rural theses.

An opening ceremony took place at the exhibition hall.

Chang Chol, vice-premier and minister of Culture and Art, made a speech on the occasion.

#### **Daily on Scientific Accuracy of Chuche Socialism**

*SK2002090894 Pyongyang KCNA in English 0840  
GMT 20 Feb 94*

[Text] Pyongyang, February 20 (KCNA)—What holds a brilliant place in the undying ideological and theoretical feats of the dear leader Comrade Kim Chong-il is that he, basing himself on the great chuche idea, has, from a new angle, developed to perfection the idea of socialism, says NODONG SINMUN in a by-lined article today.

The article says scientific accuracy and revolutionary nature of the chuche-based idea of socialism finds a graphic expression in the ideology and theories on the essence of socialist society expounded by it.

It further says:

Our party's chuche-based idea of socialism is the first in history to give a clear exposition of the essence of socialist society with the popular masses in the centre.

The essence of socialist society expounded by the chuche-based idea of socialism is, above all, that socialism is a society under which the popular masses are the masters of everything.

It is the socialist society under which all the people have valuable socio-political integrity and live a worthy life, enjoying genuine political freedom and rights to the full.

This is a fundamental characteristic of the socialist society different from the exploiter society.

As the chuche-based idea of socialism expounds that the socialist society is the society under which the popular masses are the masters of everything, the popular nature of the socialist society has become clear. The ideology and theory are a weapon that deals a telling blow at the imperialists who are engaged in malicious slander against socialism under the cloak of bourgeois democracy.

The chuche-based idea of socialism also makes clear that socialism is a society under which everything serves the popular masses.

All the policies of the working-class party and state in the socialist society proceed from what they should do to provide the people with better life, and they are entirely subordinated to this purpose.

The essence of the socialist society expounded by the chuche-based idea of socialism is also that socialism is a society that is steadily developed by the united efforts of the popular masses.

The basic characteristic of the socialist society different from the exploiter society is that it is a society under which the entire people are firmly united on the basis of a single ideology and is developed by the united strength of the popular masses.

The socialist society has socio-political conditions to unite all the people on the basis of a single ideology for they have common purpose and interests.

As it definitely achieves the unity and cohesion of the entire people, the socialist society gives a strong impetus to the development of society.

This has vividly been proved by the proud reality of our-style socialism that is making a long drive, surmounting all the ordeals of history with the might of singlehearted unity.

The dear leader Comrade Kim Chong-il developed to perfection from a new angle the socialist idea of chuche and gave a clear exposition of the essence of the socialist society. This is a noteworthy event of great significance in the accomplishment of the Korean people's and world revolutionary people's cause of independence, the cause of socialism, stresses the article.

#### **KCNA Reports Production of New Streetcars**

*SK2102215394 Pyongyang KCNA in English 1502  
GMT 21 Feb 94*

[Text] Pyongyang, February 21 (KCNA)—New-type streetcars and metro cars have been manufactured at the Kim Chong-tae General Electric Locomotive Enterprise in Pyongyang.

Their accessories including the traction motors, elastic wheels, electric control devices were domestically developed.

The operation of the streetcar is automated and the shock from the rails is minimized with the car body supported by many elastic devices.

Its operation is very safe with three brake systems available at high and low speed and in emergency.

The traction motor being large in capacity, it can draw a trailing car.

The metro car is automatically operated and its body is supported by pneumatic springs to reduce the shock from the rails.

And the newly developed compressor leaves nothing to be desired in the brake system.



**Citizen's Life Expectancy Said Increasing***SK2102114394 Pyongyang KCNA in English 1024  
GMT 21 Feb 94*

[Text] Pyongyang, February 21 (KCNA)—An increasing number of people are enjoying longevity in the Democratic People's Republic of Korea.

The number of persons above 90 last year was five times the 1980 figure.

Many "villages of macrobians" and "long-lived families" can be seen in the country.

Migam-ri in Kim Hyong-kwon County, Yanggang Province, is known as a "village of macrobians", "village of longevity."

The life expectancy at birth of the villagers before the country's liberation in August 1945 was below 30 due to hunger and diseases. Now the village has more than 100 people who have been living to the old age of 80.

Thirty of them are more than 90 years old. Enjoying the prime of youth at sixty and longevity at 90, they help the co-op farm in its farm work.

Usi County, Chagang Province, is also known for longevity.

In the pre-liberation days its residents suffered from endemic diseases. There was only one "community doctor" in the county. The life expectancy at birth of the county population lengthened by more than 40 years compared with the pre-liberation days. The county has nearly 30 hospitals and clinics.

The family of Pak Ki-sop, an old woman aged 108, in Najin-Sonbong City is respected as a "long-lived family". She has more than seventy children and grandchildren, a number of them above 80 years old. Before the liberation of the country she lost her husband and five sons and daughters in starvation and illness. Now her health is normal on all indices.

The state assumes responsibility for the life and health of the macrobians and looks after them with particular care. They are regularly supplied with tonics and highly nutritious foodstuff. All the macrobians are registered at professional medical organs and undergo regular medical checkup, and prophylactic treatment measures are taken for them.

The dear leader Comrade Kim Chong-il sends benevolent birthday tables to macrobians each on their 100th birthday. Last year alone, ten old men and women who greeted their centennial birthday, including Kim Kum-sun in central district, Pyongyang municipality, and Pak Won-pom in Chungsan County, South Pyongan Province, received birthday tables.

**South Korea****Radio Reports 22 Feb U.S.-DPRK Contact***SK2202233294 Seoul KBS-1 Radio Network in Korean  
2200 GMT 22 Feb 94*

[YONHAP report from Washington]

[Text] It has been learned that the United States and North Korea held a working-level contact in New York again this morning to discuss the inspection schedule of the International Atomic Energy Agency (IAEA) and the preparations for the third round of U.S.-North Korean talks.

Well-informed Washington sources confirmed on 22 February that the working-level contact between the United States and North Korea was held in New York, but did not give details of the negotiations. Today's contact was held upon the request of North Korea. Tom Hubbard, deputy assistant secretary of the U.S. State Department, and Ho Chong, deputy chief of North Korean Permanent Mission to the United Nations were present.

It has been learned that in today's contact North Korea delivered a letter from Kang Sok-chu, vice minister of the North Korean Foreign Ministry, in reply to a letter from Assistant Secretary Robert Gallucci, and asked for a clear and early expression of the U.S. stance on follow-up steps, including the suspension of the Team Spirit exercise and the schedule for the third round of U.S.-North Korean talks.

The U.S. side expressed grave concern over the delay in issuing visas for the IAEA inspection team and reiterated its stance that the United States would set a date and begin full-scale preparations for the third round of the talks once the inspection begins and North-South dialogue resumes.

**Officials 'Hopeful' of Agreement***SK2302012894 Seoul YONHAP in English 0119 GMT  
23 Feb 94*

[Text] Seoul, Feb. 23 (YONHAP)—South Korean officials were hopeful Wednesday [23 February] morning that the United States and North Korea would be able to conclude their talks on Pyongyang's resumption of nuclear inspections.

Pyongyang and Washington were reportedly negotiating details at the New York meeting that began early Wednesday (Korean Standard Time), specifically how and when the two Koreas will reopen dialogue, how and when South Korea and the United States will announce suspension of their joint military exercise "Team Spirit" and the date of the next North Korea-U.S. high-level talks.

The U.S. State Department maintains that on the same day that International Atomic Energy Agency (IAEA) inspections begin in North Korea, it expects inter-Korean dialogue to resume.



Simultaneously, suspension of Team Spirit and the date for the third round of U.S.-North Korea high-level talks will be announced.

Pyongyang and Washington are said to exchange non-paper [word as received] on contents of their agreement at the end of the talks, expected to last until later in the afternoon.

#### **DPRK, U.S. Delegates Comment**

*SK2302014994 Seoul YONHAP in English 0142 GMT  
23 Feb 94*

[Text] New York, Feb. 22 (YONHAP)—North Korea and the United States met at the United Nations headquarters on Tuesday to discuss holding a third round of high-level talks and nuclear inspections by the International Atomic Energy Agency (IAEA).

After the working-level contact, North Korean representative Ho Chong said it would resume one and a half hours later, but his U.S. counterpart Tom Hubbard was uncertain if they would meet again the same day. Ho Chong, deputy chief of the North Korean mission to the United Nations, led his country's delegation while Hubbard, U.S. deputy assistant secretary of state for Asian and Pacific affairs, headed the American team.

Hubbard said he hoped the contact would resume, adding that issuing visas to the IAEA inspectors was yet to be worked out by North Korea and the nuclear watchdog. Hubbard said he urged North Korea to allow nuclear inspections as soon as possible, which means Pyongyang should issue visas for the inspection team. He said the issuance of visas was unlikely to be a big problem.

Apart from the visa issue, the two sides held serious discussions on the future direction of U.S.-North Korean dialogue, according to Hubbard. He said that holding the third round of high-level talks between Washington and Pyongyang depends on whether or not the IAEA is allowed to inspect North Korea's nuclear sites. He added that the United States would continue to strive for the high-level talks, but said unsolved problems remained.

Ho, for his part, said he must discuss something with his home government in Pyongyang.

C. Kenneth Quinones, North Korea desk officer at the U.S. State Department, accompanied Hubbard while Han Song-yol, councilor at the North Korean mission to the United Nations, attended with Ho.

#### **Talks End 'Earlier Than Expected'**

*SK2302061894 Seoul YONHAP in English 0611 GMT  
23 Feb 94*

[Text] Seoul, Feb. 23 (YONHAP)—North Korea and the United States parted earlier than expected after a single nuclear negotiating session in New York and are likely to meet again Thursday, South Korean officials said Wednesday.

Ho Chong, deputy chief of the North Korean mission to the United Nations, and U.S. Deputy Assistant Secretary of State Tom Hubbard met for 90 minutes and were expected to resume talks after a break, but they did not, the officials said. The meeting reportedly ended early when North Korea demanded that the terms of the Pyongyang-Washington agreement be written down on paper.

American officials said they needed to consult among themselves on whether to accept the demand.

Pyongyang and Washington reportedly negotiated the accord's details, specifically how and when the two Koreas will reopen dialogue, how and when South Korea and the United States will announce suspension of their joint military exercise "Team Spirit" and the date of the next North Korea-U.S. high-level talks.

The U.S. State Department maintains that around the time that International Atomic Energy Agency (IAEA) inspections begin in North Korea, it expects inter-Korean dialogue to resume. After that, suspension of Team Spirit and the date for the third round of U.S.-North Korea high-level talks will be announced.

Seoul officials said that despite repeated promises by Washington on these terms, Pyongyang wants a more concrete commitment.

The two sides are not expected to exchange official documents on the agreement they are working on, but are likely to write down the accord's major points on non-official paper, they said.

Although North Korea and the United States will meet again on Thursday, final and immediate agreement cannot be expected since the North Korean negotiators need time to consult with their home government, according to the officials.

Chances are, therefore, that the IAEA inspection team will arrive in Pyongyang next Monday since the only remaining flight to Pyongyang from Beijing is this Saturday.

#### **DPRK Reportedly To Issue Visas 'Soon'**

*SK2302023594 Seoul YONHAP in English 0227 GMT  
23 Feb 94*

[Text] Washington, Feb. 22 (YONHAP)—North Korea has informed the U.S. Government that it will issue visas soon for members of an International Atomic Energy Agency (IAEA) inspection team, it was reported here Wednesday.

The news came at a working-level contact held in New York Wednesday between Ho Chong, deputy chief of North Korea's mission to the United Nations, and Tom Hubbard, deputy assistant secretary of state for Asian and Pacific affairs, diplomatic sources said. Ho told Hubbard that Pyongyang would issue visas for the IAEA inspectors as soon as possible, the sources said.

In this connection, U.S. Secretary of State Warren Christopher said Wednesday that he believed North Korea



would allow the IAEA team to inspect seven reported nuclear sites in Yongbyon soon.

State Department spokesman Mike McCurry said that Pyongyang had told the IAEA it would welcome the inspection team's visit.

At the meeting in New York, North Korea is understood to have relayed a reply from Kang Sok-chu, its representative at the first two rounds of U.S.-North Korean high-level talks, to a letter from his U.S. counterpart Robert Gallucci, assistant secretary of state for political and military affairs.

The sources noted that the two sides have already agreed that the U.S. and South Korean Governments would announce the suspension of the joint military exercise "Team Spirit" and set the date for the third round of U.S.-North Korean high-level talks after the IAEA inspection and resumption of inter-Korean dialogue.

If South and North Korea agree to exchange special envoys, Washington plans to hold further high-level talks with Pyongyang in mid-March, the sources said. And with North Korea's professed willingness to issue visas for the IAEA inspectors, the team would likely arrive in Pyongyang early next week at the latest, barring any unexpected developments in the meantime, the sources added.

#### **Negotiation Urged on U.S. Facility Rent Payment**

*SK2302031294 Seoul YONHAP in English 0300 GMT 23 Feb 94*

[Text] Seoul, Feb. 23 (YONHAP)—Seoul urged the American Embassy here Wednesday to begin negotiations on paying rent for its facilities and on exactly when the installations became legally exempt from free use by the United States.

Assistant Foreign Minister Choe Tong-chin met with Charles Kartman, a minister at the U.S. Embassy, and delivered a note explaining Seoul's position on the status of disputed facilities that include the embassy compound downtown and embassy staff residence quarters in Yongsan. It is the first time that the Seoul government has requested overall negotiations on all the facilities in question.

The Board of Audit and Inspection ruled last summer that the U.S. Embassy must pay rent for one of its twin buildings formerly occupied by American AID [Agency for International Development] organizations. The board said that since the AID organizations have left South Korea, there is no legal basis for rent exemption.

The embassy agreed in principle that its rent-free status has ended, but not on when it expired. The embassy took over the building on Oct. 1, 1980.

Seoul also demands negotiations on relocating embassy staff quarters in Yongsan Army Base since the South Korea-U.S. Status of Forces Agreement (SOFA) bars use of the American military base for non-military purposes.

#### **Conglomerates Preparing for DPRK Cooperation**

*SK2102094894 Seoul HANGYORE SINMUN in Korean 19 Feb 94 p 7*

[Article by Yi Kil-u]

[Text] With North Korea's acceptance of the nuclear inspection, the possibility of South-North economic cooperation has enhanced. Thus, business circles are showing active moves to expand trade and investment in North Korea.

Conglomerates that have received invitations from North Korea or have applied to visit North Korea including Hyundai, Samsung, Daewoo, and Lucky-Gold Star are aiming at once again examining their North Korean-related business projects that have been laid aside.

In 1993, Daewoo received approval from the National Unification Board to carry out South-North economic cooperation. When Daewoo Chairman Kim U-chung visited North Korea in 1992, he met then-Vice Premier Kim Tal-hyon and concluded a contract to promote nine pilot projects. Therefore, if the opportunity comes, Daewoo is ready to jump into the projects with North Korea.

In particular, Daewoo is planning first of all to start the project of developing the Nampo complex which is near Pyongyang and only five minutes away from the sea.

Rather than concentrating on heavy industry, Daewoo's strategy is to actively use North Korea's cheap labor to produce textile products and daily necessities of life such as blouses, jackets, and bags.

Based on the economic cooperation established with China, Samsung is showing high interest in the Tumen River development project; the road construction linking Jilin Province, China and Chongjin; and the project to develop Najin-Sonbong.

It was learned that in this connection, about one month ago, Samsung invited officials of the Jilin Provincial team dealing with economic cooperation between China and North Korea to the ROK and held deep discussions on jointly developing key industries such as railway, road, harbor, and communications.

It was learned that during the meeting a Chinese official said: "North Korea conveyed through an unofficial channel to China of the position that it will be possible for businesses advancing into North Korea to operate and possess property in a capitalistic way."

Samsung is also promoting at the same time the establishment of joint venture plants in producing sweaters, food-stuff, and electronic products.

Hyundai's Honorary Chairman Chong Chu-yong visited North Korea in 1989 and held discussions on the development of making North Korea's Mt. Kumgang and Myongsasimni tourist attractions and on the Wonsan Bay railway project. Currently, it is promoting large-scale projects. It is also promoting to establish a cotton textile plant.



Lucky-Gold Star has been producing and selling working clothes and men's suits in the form of processing-on-commission trade in North Korea from 1993. In the long run, Lucky-Gold Star's goal is to advance into North Korea in the field of electricity, electronics, and synthetic fiber which are its main business forces.

Sunkyong is promoting to establish a joint venture marine products processing plant, and a clothing and sewing plant. Ssangyong is promoting to establish a joint venture shoe plant and marine products processing plant.

Forty other domestic businesses including Miwon, Hyosong, and Kolon are planning to carry out foodstuff business and establishment of department stores and textile plants in North Korea.

An official of Lucky-Gold Star said: "The greatest barrier in economic cooperation with North Korea is the fact that businessmen and technicians are not able to go to North Korea. Since economic cooperation is dependent on the political situation, there is no stability in investment."

**North-South Business Contacts Said To Decline**  
*SK2202004194 Seoul THE KOREA TIMES in English*  
22 Feb 94 p 8

[Text] South Korea authorized 622 contacts between its people and North Koreans for business purposes over the past four years, according to official figures. But only 168 contacts, or 27 percent of those approved, took place as the others did not due to lack of their preparations or refusal by North Koreans to meet.

One hundred and eleven contacts were made in China, mostly in Beijing and Shenyang, 33 in Hong Kong, 15 in Japan and nine in other countries, the National Unification Board [NUB] said in its "White Paper on Unification" released yesterday.

The ratio of actual contacts to total authorized applications declined from 39 percent in 1990 and 1991, 27 percent in 1992 and 21 percent last year, apparently in line with the growing tensions between the two halves of the peninsula.

As far as the number of applications was concerned, small and medium industrialists were more inclined to inter-Korean contacts. A total of 516 applications came from small and medium companies and 137 from large ones.

Since the enactment of the Law on South-North Exchange and Cooperation in 1990 through last year-end, the NUB said, 419 South Korean businessmen met with North Koreans in the 168 cases.

They were part of the 3,088 South Koreans who made contacts with North Koreans in 838 cases on various occasions such as academic forums, family reunions and business during the period.

Those who visited the other side of their fatherland numbered 1,270 on 38 occasions, largely consisting of the

several rounds of prime ministers' talks, each attended by a total of 100 negotiators, support personnel and newsmen.

Economic cooperation, which started in October 1988 with the capitalist South lifting its trade embargo in the wake of the successful hosting of the Seoul Olympic Games, cooled later in 1992 when Seoul linked it with the nuclear issue.

Businessmen here expect that inter-Korean economic ties would resume soon after the one-year impasse over the North's nuclear development plan is broken.

As Seoul is likely to give the green light to entrepreneurs seeking to conduct trade with the North, the private sector is vigorously moving to gear up for more business relations with the communist state.

**Institute Urges Policy Focus on DPRK Reformists**  
*SK2302084794 Seoul YONHAP in English 0827 GMT*  
23 Feb 94

[Text] Seoul, Feb. 23 (YONHAP)—Seoul should focus its North Korea policy on empowering Pyongyang's reformist groups to help nudge the reclusive state into opening up to the world, a foreign affairs research body advised Wednesday.

Enticements for such opening could include active economic exchanges where Seoul offered various short- and long-term loans to North Korea and other forms of financial assistance, the Foreign Ministry's Institute of Foreign Affairs and National Security (IFANS) said in a report on the North.

"There is a chance that the United States and North Korea will solve the North Korean nuclear issue with a guarantee (to Pyongyang) on normalization of relations and respect for the existing system," said the IFANS report.

"Seoul should acknowledge this possibility and seek North Korea's opening at another level," said the report.

Improving relations with the United States is North Korea's top priority this year, and Pyongyang will also step up diplomatic exchanges with regional superpowers Japan, China and Russia, the report predicted.

North Korea, simultaneously, is expected to expand what has so far been limited economic openness, it said.

"The basic line of South Korea's North Korea policy should be strengthening the standing of reform-driven forces within North Korea so that they can attempt bold changes, as well as offering cooperation and assistance to effect North Korea's opening," IFANS said.

**Troops in Somalia To Return in March, April**  
*SK2302114794 Seoul YONHAP in English 1101 GMT*  
23 Feb 94

[Text] Seoul, Feb. 23 (YONHAP)—An advance contingent of 250 troops of the Korean Engineer Unit serving in



Somalia as a UN peacekeeping force, will begin returning home in the middle of next month.

A Defense Ministry source said on Wednesday that the main body of the Sangnoksu (Evergreen) Unit will be brought home in early April as earlier planned.

"But, we plan to bring home an advance party of 250 men beginning mid-March depending on the conditions of Somalia," he said. To help arrange their withdrawal, Brig. Gen. Son Yong-che, deputy director of operations at the Joint Chiefs of Staff, and four other officers flew to Somalia on Monday, the source said.

The transportation means and expenses for the withdrawal of the Korea troops and their equipment will be shouldered by the UN authorities. The expenses are estimated at about 1 million dollars.

Meanwhile, the ministry decided to donate part of the equipment and supplies of the Sangnoksu Unit to the UN peacekeeping authorities in Somalia on its withdrawal.

The items to be donated, worth about 500,000 dollars, will include seven jeeps, nine generators, two water supply trucks, 20 refrigerators, 50 air conditioners and some medical and other supplies, the source said.

#### **Principles Settled on Air Services With PRC**

*SK2102054294 Seoul YONHAP in English 0501 GMT 21 Feb 94*

[Text] Seoul, Feb. 21 (YONHAP)—South Korea and China have agreed in principle to open direct air service and have only technical details to settle, Foreign Ministry officials said Monday in contradicting reports that the two countries failed to narrow their differences at last week's talks. The two sides have already reached agreement on control transfer points. Last week, they agreed on beyond-point rights where South Korea would connect to Europe from Beijing while China would fly to the United States via Seoul, the officials said.

They also agreed on letting multiple airlines serve the Seoul-Beijing route from both countries, allowing Asiana and Korean Air to fly into the Chinese capital. While China is expected to service only Seoul, South Korean carriers are likely to acquire other destinations such as Qingdao, Dalian and Shenyang, according to the officials. "Technical questions remain, however, and they are issues for airline companies and transportation authorities to handle," said one official.

The technical issues deal mostly with industrial profits as South Korean companies are likely to earn more than their Chinese competitors on the Seoul-Beijing route, officials said. Chinese authorities are said to be asking for special measures to balance out the profit margins.

#### **Greater Communications Cooperation With PRC**

*SK2302064894 Seoul YONHAP in English 0626 GMT 23 Feb 94*

[Text] Seoul, Feb. 23 (YONHAP)—South Korea and China will offer exchanges of international postal money

orders from March 1, the Communications Ministry said on Wednesday. With the move, Korean residents of China or Chinese residents of Korea, exchange students, businessmen and travelers will be able to send and receive money more easily as bilateral cooperation in the postal, communications and financial areas deepens. The communications ministers of both countries earlier agreed to adopt the system at two meetings last year.

Seoul and Beijing decided to launch the system ahead of President Kim Yong-sam's official visit to China in late March. International postal money orders are issued by agreement of the Universal Postal Union (UPU). China will become the 23rd country to cooperate on the system with South Korea.

At present, 380 post offices nationwide issue international postal money orders and payment can be made at 2,700 post offices.

#### **China Emerges as Third Largest Trading Partner**

*SK2002051594 Seoul THE KOREA HERALD in English 20 Feb 94 pp 8, 9*

[By staff reporter Yu Kun-ha]

[Text] China has emerged as the third largest trading partner for Korea. Korea's exports to China grew by a whopping 165 percent in 1992 and again by 90 percent in 1993. Bilateral trade between the two countries is expected to grow by an annual average rate of 33.2 percent between 1993 and 1997 and by 18.9 percent for the 1998-2001 period. China has also become the most preferred country for direct investments among Korean firms. Last year, the government authorized 616 applications for investment in China, the largest number for a single target country.

The aggregate amount of Korean investments in China, however, is still small because direct investment by Korean firms began to surge only from 1992. As of the end of 1993, the aggregate amount of investment authorized by the government is still less than \$1 billion. Of this, \$465 million had actually been invested by the end of last year. China, however, is considered to be more than a simple trading partner; it is regarded as a crucial partner for industrial cooperation as well. During President Kim's visit, the foundation will be laid for strategic industrial alliance between the two countries.

The government will seek, among other things, an industrial cooperation agreement with China. Based on the framework to be provided by the agreement, the soon-to-be-formed Korea-China Joint Committee for Industrial Cooperation will systematically promote the industrial alliance. To finance the committee's activities, the Seoul government will soon inaugurate a fund, hopefully together with China, of some \$6 million.

In the inaugural meeting in Beijing, the committee will hammer out the principles and types of cooperation, select the primary areas of cooperation and discuss other avenues of cooperation.



For Korea, the main fields of cooperation include aircraft, autos, digital telephone exchanges and nuclear power plants, while China is interested in cooperation in high-definition TV (HDTV), facsimile and large-screen color TVs.

In case of aircraft, Korea wants to jointly develop, produce and sell a commuter aircraft of up to 100 seats. Korea has already announced an aircraft development plan and China is expected to be invited to participate in this plan.

In the automobile sector, Korea has been asking China to allow imports of finished Korean autos and will encourage Korean parts producers to invest in China.

The Seoul government has also been eager to participate in China's telephone network modernization programs with Korean-developed digital telephone exchanges. Cooperation in developing a next-generation telephone exchanges is also on the agenda.

The nuclear power sector is another promising avenue of cooperation as China will construct new nuclear power plants. The Korea Electric Power Corp. (KEPCO) has signed an agreement to provide operational and management service to the nuclear power plant in Guangdong Province. Korea may be able to supply power generation equipment and participate in plant construction.

Korea also plans to help China accumulate technology in such fields of interest as HDTV [high definition television], facsimile and large-size color TVs.

Industrial cooperation also involves joint sponsorship of the so-called technology mart and exchange of engineers to facilitate technological exchange in specific sectors and to help individual firms to address firm-specific needs.

To expand trade further and stimulate direct investment, the Seoul government will also implement a set of new measures. First, it intends to increase the provision of loans by the Export-Import Bank of Korea for deferred payment exports of Korean industrial facilities to be used for economic development in China.

According to an official of the Ministry of Trade, Industry and Energy (MOTIE), the bank is currently evaluating nine applications for loans amounting to \$1.2 billion. Among them is an application for loans to finance \$250 million exports of rolling stocks to the Guangdong Province of China. The Ex-Im Bank's loans carry 7-8 percent annual interest rates, not so low compared with ordinary bank interest rates of around 12 percent. To alleviate the burden of interest rates on Korean exporters to China, the government plans to provide them with the Economic Development Cooperation Funds (EDCF) whose interest rates are 2-2.5 percent a year. The government will expand the coverage of export insurance for plant exports to China, while at the same time holding exhibitions of Korean goods in major cities in China every year.

Within first half of this year, the MOTIE will also come up with a plan to encourage Korean distributors to advance into China and build up their own distribution networks.

Up till now, according to a MOTIE official, Korean exports to China have largely been materials for reexports; Korean goods have not yet penetrated into the domestic consumption market of China.

Partly, this was the result of the discriminatory tariff rates against Korean goods which were abolished only in 1992. Now that Korean goods can compete with foreign products on an equal footing, Korean exporters are in need of well-functioning distribution networks just as their Japanese and Hong Kong rivals do.

This year, the Seoul government will be more prudent in invoking antidumping and adjustment tariffs against imports from China to head off unnecessary trade disputes. To stimulate direct investment in China, MOTIE will select industrial sectors suitable for production plant transfer to China and will provide administrative and financial assistance to those who actually relocate plants. Candidate sectors for this encouragement measure include footwear and textiles.

Korean investments in China tend to cluster in such northeastern parts as Shantung and Liaoning Provinces and Tianjin City near Beijing. According to MOTIE officials, investments need to be more diversified geographically as each of the 10 major regions of China has its own development plan. MOTIE has requested the Korea Institute for Industrial Economics and Technology to draw up a detailed investment plan tailored to the development programs of the 10 regions. The ministry has also told the Korea Trade Promotion Corp. (KOTRA) to set up trade centers in Dalian and Chongqing this year. Currently, KOTRA operates trade centers in Beijing and Shanghai.

Korean banks will be encouraged to expand their branch networks in China and a Korea-China joint venture lease firm will be promoted to provide Korean firms in China with an easier access to capital. According to a MOTIE official, the Daewoo and Halla Business Groups have expressed interest in setting up the envisioned lease firm.

All these measures are expected to help economic ties between Seoul and Beijing evolve into a new dimension. The two economies are, according to experts, basically complementary in nature, although in some sectors, they do compete. In approaching each other, the two countries may as well try to expand and capitalize on complementarity.

#### **Talks Held With Japan on Fishing Dispute**

*SK2302085594 Seoul YONHAP in English 0649 GMT  
23 Feb 94*

[Text] Seoul, Feb. 23 (YONHAP)—Japan appealed to South Korea Wednesday to eliminate illegal fishing near its waters that totals over 1,000 cases a year. The Japanese also voiced concern about the depletion of fishing stocks and disputes over accidents between vessels from the two countries, Foreign Ministry officials said.

Seoul and Tokyo sat down Tuesday and Wednesday for mid-level negotiations on renewing the self-regulation



fishing agreement that expires at the end of this year. The two sides focused on South Korean vessels' illegal fishing activities despite governmental agreement on self-regulation, disputes and compensation from accidents, and formal mechanisms to protect marine resources.

The talks' key point is whether the two countries should overhaul the 1965 basic fishing accord as demanded by Tokyo, or just institute supplementary measures as insisted by Seoul, according to the officials.

South Korea established various regulations covering Japanese fishing in its waters in the 1965 agreement, while Japan virtually opened all its waters beyond 12 nautical miles. The action came at a time when South Korean fishing vessels were too small and too few to compete with the Japanese.

In 1987 the two countries adopted self-regulation, limiting the number of vessels, fishing period and size of boats, but the Japanese Government continued to protest at illegal activities carried out by South Korean fishermen despite government regulation.

Japanese Prime Minister Morihiro Hosokawa personally raised the issue at a summit with South Korean President Kim Yong-sam last November.

Seoul and Tokyo will need seven to eight more rounds of talks to settle the pending issues and plan to meet again sometime in April.

### Country's Trade Deficit With Japan Rises

SK2002053894 Seoul THE KOREA TIMES in English  
20 Feb 94 p 8

[Text] The country's trade deficit with Japan rose sharply last month, the Korea Trade Promotion Corp. (KOTRA) said yesterday. KOTRA quoted statistics from the Japanese Ministry of International Trade and Industry as indicating that Korea suffered a trade shortfall of \$420 million with Japan last month, up 46.3 percent from a year before. The country's exports to Tokyo in January increased 14.3 percent from the corresponding period of last year to \$970 million, while its imports from it grew 22.4 percent to \$1.39 billion.

"The increase in the trade shortfall with the neighboring country will continue for the time being because Korea has to buy more parts from Japan at more expensive prices as a result of the strong yen," a KOTRA official said. He said Korea will find it difficult to correct the chronic trade deficit with Japan as it still heavily relies on Japanese imports of capital goods to make more products and increase exports. Shipments of light industrial goods and electronic products face an uphill battle in maintaining their market shares in Japan now that those products made by China and Thailand, Japan's major overseas production bases, are expected to take bigger shares. China posted a \$596 million surplus with Japan in the first month of this year, down from \$753 million a year ago, KOTRA said citing Japanese estimates.

Japan's whole exports stood at \$25.9 billion in January, up 7.5 percent from the same period of last year and its imports rose 4.8 percent to \$19.8 billion. Its trade surplus increased 17 percent to \$6.1 billion. As advanced countries, mainly the U.S., mounted trade pressure on Japan to correct its huge trade surplus, Japan's exports to industrialized countries declined by 21 percent last month, while those to developing countries grew by 27.4 percent. Japan saw an increase in exports of such manufactured goods as electronics parts (39.2 percent), metal products (54.3 percent) and auto parts (15.1 percent). However, Japan reduced shipments of vehicles by 16.6 percent, audio equipment 7.5 percent and automatic data processors 11.1 percent. Japan's imports of crude oil and petrochemical products declined by 21.9 percent and 18.3 percent, respectively, while those of semiconductors rose by 50.5 percent, autos 42.9 percent and machinery 27.8 percent.

### Consortium Discovers Oil Offshore in Vietnam

SK2202031594 Seoul YONHAP in English 0256 GMT  
22 Feb 94

[Text] Seoul, Feb. 22 (YONHAP)—A South Korean consortium has discovered oil in the 11-2 mining area off Vietnam, officials of the Trade, Industry and Energy Ministry said Tuesday. The consortium of eight Korean companies had drilled in B-district of the mining area from Nov. 6 to Jan. 20, finding 3,419 barrels of oil and 22 million cubic feet of gas per day. The mining area is located between 70 and 110 meters below the sea, 280 kilometers southeast of Ho Chi Minh City.

The Korea Petroleum Development Corp. (KPDC), Hyundai, Samsung, Daewoo, Lucky-Goldstar, Ssangyong, Samhwan and Daesung are participating in the project, in which Shell Co. of the Netherlands has a 30-percent interest.

The discovery has significance in that KPDC participated to find oil overseas as an operator, but the area's economic viability will not be known until further exploration is conducted. If the area proves to be economically feasible, KPDC will spend 1 million U.S. dollars along with the Vietnamese Government. However, more funds and materials are necessary, KPDC officials said.

The consortium will therefore start further drilling in the mining area in mid-August. The consortium signed an agreement on sharing oil from the 11-2 mining area with the state-owned Petro Vietnam Co. on May 19, 1992. The area is estimated to contain 600 million barrels of oil.

### Prime Minister Reports to Assembly on Trade

SK2302113794 Seoul YONHAP in English 1034 GMT  
23 Feb 94

[Text] Seoul, Feb. 23 (YONHAP)—Prime Minister Yi Hoe-chang said on Wednesday that if other countries retract or scale down concessional items envisaged in the Uruguay Round (UR) accord, South Korea would consider taking a corresponding step.



Testifying at the National Assembly session, Yi said his government would submit a market opening schedule to the General Agreement on Tariffs and Trade (GATT) after taking into account the contents of similar schedules to be submitted by major countries like the United States, Japan and the European Union (EU). He thus implied that South Korea may revise its original market opening plan depending on the outcome of the on-going U.S.-Japan trade talks.

The premier said that so far most other countries are withholding their market opening schedules. "This is due to their policy to cope with the outcome of the U.S.-Japan trade talks," Yi said.

Also speaking at the assembly floor, Agriculture, Forestry and Fisheries Minister Kim Yang-pae said that last year, South Korea recorded a deficit of about 5,040 million dollars in the trade of agricultural and fishery products. He said exports amounted to some 2,750 million dollars and imports to 7,790 million dollars.

"We plan to boost farm and fishery goods exports by promoting, for instance, the shipment of large amounts of hog meat and Kimchi to the vast Japanese market," Kim said.

#### **Institute Chief Explains Liberalization Plans**

*SK1902074694 Seoul THE KOREA TIMES in English  
19 Feb 94 p 17*

[By staff reporter Cho Chae-hyon]

[Text] Korea will continue to modernize and open its financial market to effectively cope with the rapidly-changing world economy, Korea Institute of Finance President Pak Yong-chol said yesterday.

In a luncheon meeting with foreign bank general managers here, Pak said that Korea is pressing ahead with its plan to liberalize the financial market and will not retract from its commitment to further deregulate the market in the days ahead. Pak explained to the foreign financiers about the Korean economy and financial industry.

"The on-going liberalization steps reflect the Korean government's intention to upgrade the efficiency of the financial industry in order to accommodate the expansion of the economy, its growing structural complexity and changes in the international economic environment," said the former senior presidential secretary for economic affairs.

Pak told foreign bankers that the Korean government has made financial sector liberalization a key priority.

In June 1993, the government presented a comprehensive plan for financial sector liberalization and capital account opening, with a detailed timetable for phased implementation in three steps for the period of 1993-1997.

This plan covers the liberalization of interest rates, the introduction of a system of indirect monetary control, the removal of credit controls and lending guidelines, the

development of the money market, and the liberalization of foreign exchange and capital transactions.

Stressing that the financial market will be opened further to foreign competition, he said foreign banks here will be allowed to do business in such new areas as bank payments and remittances, and clearing system.

Pak said that the areas the government is committed to easing rules on in 1994 and 1995 are; the limit on foreign certificates of deposit (CDs) issuance volume, limit for over-sold position in spot foreign exchange deals, the foreign stock ownership ceiling for Korean stocks and limit on equity participation by foreign investment trusts in domestic trust firms.

As for the liberalization of foreign exchange transactions, he said "The government will deregulate foreign exchange controls and also invigorate the domestic foreign exchange market to assist domestic business activities abroad and to upgrade conveniences for the people."

#### **Government Announces Plan To Cancel F-4E Upgrade**

*SK2202080494 Seoul SEOUL SINMUN in Korean  
22 Feb 94 p 2*

[Text] The government announced on 21 February its plans to fully invalidate the Korea Phantom Upgrade (KPU) project in which the F-4E Phantoms were to be upgraded to improve Air Force capabilities.

In this regard, the government is considering to use the budget allocated for this project in other projects, including the purchase of additional F-16s which is selected as the next-generation fighter.

The government's policy is based on the judgment that the project lost its meaning because the actual upgrading work of the F-4E's has not been carried out properly up to now since the KPU project began six years ago in 1988 and the F-16's will soon be purchased and deployed in actual combat as the next-generation fighter.

In addition, the technologies to be transferred from the United States were considerably reduced and the project is evaluated to be of little benefit to the development of the domestic aerospace industry.

The KPU is an over 3 trillion-won project to upgrade some 40 F-4E's by the year 2010 at the cost of 80 billion won each. Two upgraded test aircraft are expected to be deployed in 1995.

According to a high-ranking government official, the KPU was suspended because the F-16's, which have been selected as the next-generation fighter, will be delivered year by year and deployed from October 1994, thus, the reinforcement of Air Force capabilities will actually begin. A total of 120 F-16's will be delivered by 1999 at the cost of 3.9 trillion won.



In the meantime, the government is studying ways to fully compensate Samsung Aerospace for the 14 billion-won investment it made for the KPU project.

**Weapons Exports Triple in 1993 To \$75 Million**  
*SK2102122694 Seoul YONHAP in English 1204 GMT*  
*21 Feb 94*

[Text] Seoul, Feb. 21 (YONHAP)—Exports of South Korean-made weapons totaled 75 million U.S. dollars last year, the first upturn of weapons exports since the mid-1980s.

A Defense Ministry material showed on Monday that the 1993 exports compare with mere 25 million dollars in weapons exports in the previous year.

Exports of weapons had been very sluggish from the close of the 1970s before they turned brisk last year thanks to heavy shipment to some Southeast Asian countries, according to the material.

**Trade Ministry Reports Increase in Imports**  
*SK2202014794 Seoul YONHAP in English 0131 GMT*  
*22 Feb 94*

[Text] Seoul, Feb. 22 (YONHAP)—Imports have increased more rapidly than exports so far this year, casting a pall over the government's hope of realizing a trade surplus for 1994.

Imports rose 7.6 percent in the first 49 days of this year from the same period last year, while exports grew 6.7 percent, the Trade, Industry and Energy Ministry said on Tuesday.

Imports reached 11.6 billion U.S. dollars and exports 8.9 billion dollars between Jan. 1 and Feb. 18, widening the trade deficit early in the year from 2.42 billion dollars last year to 2.68 billion dollars in 1994.

A Ministry official said, "in 1993, the increase rate of exports was higher than that of imports throughout the year, improving the balance of payments a little. But this year, with imports increasing so rapidly, it is expected to be difficult for the government to improve the balance of payments."

The increase rate of import licences (IL) issued to importers reached 10.3 percent and 8.9 percent last November and December, respectively, compared to export letters of credit (LC) arriving here amounting to 8.7 percent and 5.4 percent in the same months.

The government issued 10.05 billion dollars worth of import licenses in the first 49 days of this year, up 26 percent from a year ago and foreshadowing a rapid increase in imports.

Conversely, export businesses here received 6.87 billion dollars worth of letters of credit during the same period, up only 12.9 percent from last year.

A Ministry official said: "Imports of both capital goods and consumer goods have been showing rapid growth since the beginning of this year. Imports of capital goods including machinery are expected to increase even further in the coming months because domestic enterprises are planning large-scale facility investment in the early period of this year. There is no actual way to control the increase in imports now. To improve the balance of payments this year, we have no other choice but to focus on studying ways to expand exports."

**Export Market Shifting to Asian Countries**  
*SK2202084294 Seoul YONHAP in English 0708 GMT*  
*22 Feb 94*

[Text] Seoul, Feb. 22 (YONHAP)—The ratio of South Korea's three major overseas markets—the United States, Japan and the European Union—to total exports dropped below 50 percent for the first time last year, the Korea Foreign Trade Association (KFTA) said on Tuesday.

Exports to China rose to 5 billion U.S. dollars, however, signaling a shift in export markets from advanced countries to Asia.

Exports to the United States, Japan and the European Union reached 39.11 billion dollars last year, or 47.6 percent of total exports worth 82.23 billion dollars. The ratio was 50.8 percent in 1992. Exports to the three main markets rose 0.5 percent last year, far lower than the total export growth of 7.3 percent.

The three markets' combined share peaked at 70.5 percent in 1987, but the ratio fell to 68.5 percent in 1988, 66.5 percent in 1989, 62.9 percent in 1990 and 56.6 percent in 1991 mainly because of the falling competitiveness of Korean products.

Meanwhile, exports to China rose 94.1 percent to 5.15 billion dollars last year, the first time that shipments to that neighboring country have topped the 5-billion-dollar mark. Imports from the country rose 5.5 percent to 3.92 billion dollars. Two-way trade with the Chinese thus hit 9.08 billion dollars last year, with China becoming Korea's third largest trading partner after the United States and Japan.

Exports to Asia, including the Middle East, rose 16.4 percent to 42.37 billion dollars last year, or 51.5 percent of total exports.

**President Visits Kwangju, Affirms Reform Policy**  
*SK2202084594 Seoul YONHAP in English 0733 GMT*  
*22 Feb 94*

[Text] Kwangju, South Korea, Feb. 22 (YONHAP)—President Kim Yong-sam visited Kwangju on Tuesday and instructed mayor Kang Yong-ki to institute measures to relieve the pain of the city's residents.

Kim said, "On May 13 last year, I ruminated on the historical meaning of 'the Kwangju democratization movement' and announced government measures to



relieve the pain of Kwangju citizens and retrieve their honor through a special statement. The mayor should see to it that the city seeks a council of citizens and related organizations to complete the government's measures as soon as possible."

On May 18, 1980, hundreds of thousands of Kwangju residents resisted then-General Chon Tu-hwan's attempt to grab power and hundreds were killed by special soldiers.

Kim also voiced hope that the people of Kwangju will strive to create an international city of science and industry, leading other cities in the 21st century.

Meanwhile, Kim visited a machine tool factory and told workers there over lunch that he was pushing ahead with change and reform with all his might.

In an impromptu address, he said, "I will never neglect change and reform, and the rooting out of irregularities and corruption during my term of office."

#### **Ground for NSP's Political Intervention Abolished** *SK2102064094 Seoul YONHAP in English 0531 GMT 21 Feb 94*

[Text] Seoul, Feb. 21 (YONHAP)—The legal grounds for political intervention by the Agency for National Security Planning (NSP) were abolished on Monday. The cabinet repealed the regulations on establishment of the "Information Coordination Council," which provided the NSP with the right to meddle in politics.

The council was established in 1981 to discuss judging and managing information and framing a national information policy, but has been criticized for its frequent intervention in politics. The council had already lost its legal grounds to exist on Jan. 5 this year when the law on the Agency for National Security Planning was revised.

#### **Government Adopts Measures To Control Prices** *SK2102121794 Seoul YONHAP in English 1151 GMT 21 Feb 94*

[Text] Seoul, Feb. 21 (YONHAP)—The government adopted a set of measures on Monday afternoon to control price spiral, which feature the emergency importation of those farm goods whose prices jumped recently. The steps also include a stern order handed down to the proprietors of public service concerns such as public bath houses and restaurants to withdraw their recently raised charges.

The measures were adopted at an emergency price-related ministers meeting held at the Kwachon government office under the chair of Deputy Prime Minister Chong Chae-sok.

To stabilize the prices of seasoning materials, 3,000 tons of Welsh onions, 5,000 tons of onions and 3,000 tons of garlic will be imported.

The meeting decided that if service charges and industrial goods prices would increase or increased fees and prices

are not brought down despite Monday's steps, the tax office would absorb all increased amounts as taxes.

To ensure rice price stabilization, the meeting decided to auction off 700,000 soks (100,800 tons) of rice held by the National Agricultural Cooperative Federation.

If the amount is not enough to check rice price rise, government-held rice will be released limitlessly.

Due checks will also be made to keep real estate prices from going up.

The price meeting took place after President Kim Yong-sam urged Deputy Premier Chong earlier in the day to take sweeping steps to control price spiral.

The attendees included home affairs, finance, agriculture-forestry-fisheries, trade-industry-energy, construction and health-social affairs ministers plus the Seoul mayor and the head of the National Tax Administration.

#### **YONHAP Writes on Kim Yong-sam's First Year**

##### **Assesses 'New Diplomacy'**

*SK2202013194 Seoul YONHAP in English 0100 GMT  
22 Feb 94*

[Report by Yi Tong-min]

[Text] Seoul, Feb. 22 (YONHAP)—President Kim Yong-sam had his share of diplomatic ups and downs during his first year in office. He enjoyed strong backing at home and abroad as the country's first civilian leader in over three decades, but was plagued by events such as the Uruguay Round [UR] and North Korean nuclear issue over which he had little control.

Kim started his foreign policy with a loud bang. "New diplomacy," he called it, essentially asking his country to look beyond to the regional and international communities, to consider trade diplomacy and not just political affairs. Hardly stirring from home, Kim received heads of state from 11 countries during the year including France, Germany, Singapore, the Philippines, India and Australia.

Summits included two highly strategic meetings with U.S. President Bill Clinton and weekend talks with Japanese Prime Minister Morihiro Hosokawa outside the capital city.

Certain events coincidentally helped Kim. The first-ever summit of the Asia-Pacific Economic Cooperation (APEC) opened up a new regional horizon and gave Seoul a role in linking two separated continents.

The timely emergence of a member of the post-war generation, Prime Minister Hosokawa, helped in clearing up Korea and Japan's unhappy past at a weekend summit last November. The new Japanese leader enumerated his country's crimes during the 35-year colonial rule early this century as none of his predecessors had ever done. While



touching bases with South Korea's traditional allies, Kim kept alive ties with China, meeting President Jiang Zemin during the APEC summit.

Seoul-Beijing ties have steadily grown strong over the past year to the point where the two sides agreed to exchange military attaches, a symbolic event considering China's staunch alliance with South Korea's rival, North Korea. At the same time, Kim mended relations broken by his predecessor by establishing non-official links with Taipei through the exchange of missions. But when it came to major diplomatic items, Kim was not so lucky.

The conclusion of the Uruguay Round fell into his lap. Keeping South Korea's rice market closed had been one of Kim's presidential campaign pledges, but he was forced to break the promise at the last minute: Seoul bowed to the principle of tariffication without exception, including its agricultural market.

Negotiators managed to earn a 10-year grace period before opening the market to rice imports, but side effects from the UR hailstorm remain to this day with farmers and students taking to the streets.

His agriculture minister, Ho Sin-haeng, was made a scapegoat and fired immediately after returning from the UR negotiations. But the real misfortune came in the form of the North Korean nuclear dispute.

Barely one month in office, Kim's administration was hit by Pyongyang's thunderous announcement of its withdrawal from the Nuclear Nonproliferation Treaty (NPT).

The majority of Kim's foreign policy since then has been geared toward getting North Korea to allow international nuclear inspections.

Roughly one year after the bombshell announcement, the nuclear situation has returned to where it was last March, but only after a series of resolutions by the international community and sanctions threats by the U.N. Security Council.

Like the silver lining to a cloud, North Korea said last week that it would allow inspections by the International Atomic Energy Agency (IAEA) to resume at a scope and scale demanded by the U.N. nuclear watchdog.

Kim's diplomacy had to incline heavier toward the United States because of the nuclear problem, especially since North Korea demanded negotiations with, and only with, Washington.

Despite outward claims that the two countries were in unison on how to handle the problem, the reality sometimes saw an imbalance between hard-line and progressive stands.

The latest crack came over stationing Patriot missiles in South Korea. U.S. chief commander in South Korea Gary Luck asked for the Patriot deployment and the Clinton Administration virtually approved it.

But South Korean Foreign Minister Han Sung-chu convinced them otherwise, advising delay at least while North Korea starts talking with the IAEA.

Kim's government experienced smooth sailing in regional and international diplomacy during the past year. He begins 1994 with state visits to Japan and China and will likely go to Russia to round out a tour of superpower neighbors.

During the visits, the president will not only discuss bilateral political and economic relations but close coordination on the North Korean nuclear situation. But contrary to Kim's progress in diplomacy at the regional and international levels, ironically enough, inter-Korean diplomacy turned out to be a wild goose chase.

The president bears no greater burden entering his second year in office. Inter-Korean talks will most likely resume since they are a precondition to improving North Korea-U.S. relations. But exactly how the talks proceed and whether the substance is satisfactory are entirely different matters.

#### Reforms Aim at Developing Potential

SK2302032894 Seoul YONHAP in English 0253 GMT  
23 Feb 94

[Report by Kim Myong-chol]

[Text] Seoul, Feb. 23 (YONHAP)—President Kim Yong-sam's economic policy is aimed at building "a new economy" based on the people's creative participation, a striking shift from the past military-based administrations' policies for economic growth on the basis of government control and guidance. Under this policy, the Kim government has embarked on various reform programs designed to develop the economy's growth potential with a small but efficient government since he took office last February.

Kim's economic team, led by former Economic Planning Minister Yi Kyong-sik and Senior Presidential Secretary for Economic Affairs Pak Chae-yun, worked out an initial 100-day plan to stimulate the economy by removing controls on business activities. After the plan's completion in early July, the team drafted a new five-year blueprint stressing development of the economy's growth potential.

Under the 100-day plan, the government took measures for increased corporate investment, small business restructuring, technological renovation, elimination of red tape and price stabilization of basic prices. Thanks to these measures, the economy began to pick up, with increasing corporate investment in equipment and plants.

On Aug. 12, however, the economy felt shock waves from the surprise announcement of an emergency presidential order requiring the use of real names in all financial transactions, the Kim administration's "reform of reforms." The real-name financial transaction system was considered by many economists as an obstacle to corporate investment which might negate stimulus measures taken under the 100-day plan. However, the new system has



proved successful in helping the economy move upward from the bottom, instead of pulling down corporate investment.

Most of the money supplied to cushion the adverse effects of the real-name system on the money market has been siphoned out of circulation, and the stock market is emerging from its slump of the past several years. The economy as a whole is looking up on the strength of increasing exports.

Under the real-name system, however, the practice of using borrowed names in financial transactions is still rampant, as seen in the financial fraud involving Chang Yong-cha. This necessitates strong measures against the use of borrowed names for the real-name system to achieve complete success.

In late November, the second phase of the financial liberalization plan was put into effect to bring the financial market closer to a complete opening, a reform carrying as much weight as that of the real-name system.

The Kim Yong-sam government also initiated fiscal policy reform for a salutary budget system, with stress placed on increased investment in infrastructure.

For this purpose, oil taxes will become traffic taxes totaling 3.2 trillion won (four billion U.S. dollars) a year for investment in roads, railways, airports and seaports.

The government has since come under attack for breaking its promise to introduce a sliding scale system linking domestic and international oil prices. As international oil prices are on the decrease, however, the government has announced a big rise in oil taxes to ensure that domestic oil prices are unrelated to the falling international prices and thus keep consumers from benefiting from the plunging world oil prices under the sliding scale system.

Under the new fiscal policy, shortages of grain purchase funds will be made up for with government funds, not with funds raised by issuing grain bonds.

Private industries will be encouraged to make social overhead investment in a bid to lessen the government's burden of investment in infrastructure. To this end, various incentives will be given to corporations investing in infrastructure.

To achieve a small but efficient government, the Kim Yong-sam administration plans to restructure the 23 state-run enterprises and their 102 subsidiaries and eight state-run non-profit institutions through mergers and privatization.

Under the plan, 68 state-run enterprises including citizens national bank and Korea exchange bank will be restructured through mergers and privatization by 1998, and the 7 trillion won to be raised through privatization will be poured into infrastructure expansion projects.

The Kim Yong-sam government has conducted more economic reforms in the past one year than any previous government did in office, but its price and labor policies have failed.

Initiating the new five-year economic plan last year, the government froze civil servants' wages and restrained personal service charges and manufactured goods' prices from rising to stabilize prices, but consumer prices nonetheless rose 5.8 percent last year and 1.3 percent year-on-year in January this year.

Moreover, the labor policy supporting the "no work, partial pay" principle was blamed for the extreme labor-management conflict at Hyundai Group companies last year.

#### Statistics on Changes Issued

SK1902073794 Seoul YONHAP in English 0545 GMT  
19 Feb 94

[Text] Seoul, Feb. 19 (YONHAP)—In case you were wondering what kind of changes have taken place since President Kim Yong-sam took office a year ago, Chongwadae [presidential office] has issued the following statistical report:

On his inaugural day of Feb. 25, 1993, President Kim ordered open the street in front of Chongwadae, previously off-limits to the general public. A daily average of 3,500 tourists and 4,500 cars has since used the street.

About 1,700 persons daily climbed Mt. Inwang behind Chongwadae, which had also been off-limits to the public. Some 10,325 toured Chongwadae itself in the past year.

The president received some 166 presents from foreign visitors, and on Kim's orders they were entrusted to the Ministry of Government Administration. Some 20 gifts came from Koreans but they were returned to the senders.

In order to lead the austerity campaign, Chongwadae cut its expenses by 1.79 billion won over the past year. The reductions were made in expenses for parties and commemorative souvenirs, 970 million won, flowers and other decorations, 94 million won, and others, 728 million won.

Especially for banquets, dinners or breakfast at Chongwadae for visitors, the cost per person was cut to 7,000 to 8,000 won for a bowl of noodles, down from 40,000 to 60,000 won for Western- or Chinese-style food per person.

As a result, Chongwadae's total expenses declined 7.6 percent from the previous year to about 1.8 billion won.



**Brunei, Malaysia & Singapore****Malaysia****ASEAN Chief's Visit 'New Chapter' in SRV Ties***BK2202100994 Kuala Lumpur Voice of Malaysia in English 0800 GMT 22 Feb 94*

[Station commentary]

[Text] A new chapter has opened up in relations between ASEAN and Vietnam with the visit of ASEAN Secretary General Datuk Ajit Singh to Hanoi yesterday. The move will further enhance the Indochinese country's integration into the six-member grouping. Already Vietnam has been accorded observer status to ASEAN meetings. Efforts are underway to increase its participation in ASEAN's activities leading to full membership. This was agreed upon by the grouping's six members at the ASEAN ministerial meeting in Singapore last July.

American embargo on Vietnam is now history, thus setting the stage for expanded economic growth and investment. This augurs well for the speedy inclusion of Vietnam into ASEAN. ASEAN will do well, to speak things aloud. The grouping's own future has gone by leaps and bounds. Indeed, it is rapidly becoming the nucleus of Asian unity, the hub around which an increasing number of regional entities have been erected. Economic benefit, aside from membership in ASEAN will confer on it respectability in the international community. After all, the people have suffered wars and destruction for far too long. It is about time to take the rewards of peace with the accompanying economic development. Among factors in favor of the country in its ability to join up is that it has a market economy in the making. It is now already in place. With these, the country is poised to contributing much to the ASEAN Free Trade Area, AFTA. But membership is not automatic. Hanoi will have to work hard toward making its economic and political systems more compatible with its neighbors. If Vietnam shows genuine interest in adopting the grouping's broader principles, including pluralist politics and market economy, it should be made a member too. The member countries have agreed that the country should be given financial and technical aid to help its economic progress.

A remarkable feature of ASEAN is that it is truly flexible and accommodating. The observer status remains deliberately undefined. Cambodia has been accorded special guest status. This has reflected the extent to which ASEAN can prime itself in order to accommodate political sensitivity in its dealings with third countries. Even without membership, Vietnam still has a lot to gain. This is because ASEAN can effectively cooperate with countries without having to formalize its relationship yet. This also goes for Laos and Cambodia. A widening of ASEAN from six to nine will refurbish its image internationally. At the same time, it will strengthen its bargaining position with its dialogue partners. Membership in ASEAN has represented a tempting proposition for all the Indochinese countries.

Most importantly, the inclusion will ensure greater geopolitical stability and defuse regional tension. It will also be the catalyst for members to focus on economic pursuits with renewed vigor.

**Singapore****Deputy Premier on Aerospace Industry Prospects***BK2202133894 Singapore Singapore Broadcasting Corporation in English 1100 GMT 22 Feb 94*

[Text] Asian Aerospace 94, the premier air show in the Asia-Pacific region opens today. Some 900 exhibitors from 35 countries are taking part in the week-long air show at the Changi International Exhibition and Convention Center.

Opening the show, Deputy Prime Minister Brigadier General Lee Hsien Loong, urged the local aerospace industry to look beyond the confines of its home industry. He noted that Singapore has benefited from the rapid growth in aviation in the region.

Last year, investment commitments in the industry here grew by over 40 percent to 163 million [Singapore] dollars. Gen. Lee said Singapore will continue to service the region as one stop center for aerospace services. It will also continue to play its role in developing the regional aviation market and aviation infrastructure.

Gen. Lee however, noted that one potential obstacle to the growth of the industry would be infrastructure bottlenecks, especially insufficient airport capacity. He said newly developing economies like Vietnam and China will need to upgrade airport management, air traffic capabilities, and to build new airports as traffic volume expanded.

Gen. Lee said economic liberalization in the region would create more growth and business opportunities for the aerospace industry.

**Defense Minister on Value of ASEAN Forum***BK2202150194 Singapore Singapore Broadcasting Corporation in English 1400 GMT 22 Feb 94*

[Text] Defense Minister Yeo Ning Hong believes that the ASEAN regional forum could provide an important mechanism to ensure peace and stability in the region. In an interview with JANE'S DEFENSE WEEKLY, Dr. Yeo said Singapore could use the forum to develop an understanding with countries who have an interest in the region. Eighteen countries are scheduled to hold the forum in an overall session in July in Bangkok. Dr. Yeo said members are likely to discuss confidence-building measures and a more open approach to armament and arms control.

**Naval Exercise Held With India in Indian Ocean***BK2202152994 Singapore Singapore Broadcasting Corporation in English 1400 GMT 22 Feb 94*

[Text] Two missile corvettes from the Republic of Singapore Navy and a submarine from the Indian Navy are now



taking part in an exercise in the Indian Ocean. They practice anti-submarine warfare maneuvers. This is the second joint naval exercise between the two navies. A joint statement says the aim is to promote professional interaction and to improve bilateral ties between the two navies.

#### **Survey Shows Economy Grew 9.9 Percent in 1993**

*BK2102152594 Singapore Singapore Broadcasting Corporation in English 1100 GMT 21 Feb 94*

[Text] The Singapore economy grew by 9.9 percent last year, up from 6 percent in 1992. It was the highest growth since 1988. According to the annual economic survey 1993, growth was broad-based. It was aided by factors such as trade growth, the recovery in the U.S. economy and continued expansion in the regional economy.

The manufacturing sector registered strong growth with output increasing by 9.8 percent, up from 2.5 percent in 1992.

The financial and business services center, more than double its growth rate towards a 13-percent expansion.

The commerce sector grew by 8.5 percent, up strongly from 4.5 percent in 1992, and the transport and telecommunications sector notch up growth of 9.6 percent.

The construction industry, however, slowed down with a fall in the private sector construction demand. It registered only an 8 percent growth after leading the economy with 21 percent growth in 1992.

Total trade volume grew significantly by 18 percent last year, with trade value increasing to 257 billion dollars.

The U.S. remains Singapore's chief export market, accounting for 20 percent of its total exports last year.

Inflation rose only marginally, while the consumer price index up 0.1 percent to 2.4 percent. The rise was mainly due to domestic factors.

Singapore workers were also more productive with labor productivity rising 3.1 percent to 6.4 percent. The survey said economic growth is expected to remain healthy this year but more moderate from the high base last year. It is expected to grow by 6 to 8 percent.

#### **Cambodia**

#### **Thai Queen Arrives at Sihanouk Wife's Invitation**

*BK2302065394 Phnom Penh AKP in French 0404 GMT 23 Feb 94*

[Text] Phnom Penh 23 Feb (AKP)—Her Majesty Sirikit, queen of Thailand, arrived in Phnom Penh Tuesday afternoon, 22 February, for a visit to the Kingdom of Cambodia. This visit is being carried out at the invitation of Norodom Monineath Sihanouk, queen of Cambodia.

"I am greatly honored to present to Your Majesty both in the name of my husband, His Majesty King Norodom Sihanouk Varaman, and on behalf of the Cambodian

people and their government a fervent invitation to visit Cambodia, a kingdom which has always had close bonds of friendship and fraternity with its great neighbor, the glorious Kingdom of Thailand," stressed the Cambodian queen in her message dated 20 February and sent from Beijing.

"Cambodia will be very honored to comply with your very lofty desires and wishes," the message said in conclusion.

#### **Khmer Rouge Attack Position in Battambang**

*BK2302085194 Phnom Penh AKP in French 0400 GMT 23 Feb 94*

[Text] Phnom Penh 23 Feb (AKP)—Two persons were killed in a clash between government forces and Khmer Rouge guerrillas at Ampil Pram Daeum in Bavel District of Battambang Province on 17 February, according to a military source. At 0500 on that day, some 100 Khmer Rouge soldiers attacked for three hours a government position on coordinates [numbers indistinct]. The Khmer Rouge occupied a communal office building, but were repulsed by the government troops a few hours later.

An administrative office building, 10 houses, and [words indistinct] belonging to the local people were destroyed in the attack, the source said.

#### **VGNUFC Reports Two Government Generals Killed**

*BK2002143194 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 1200 GMT 20 Feb 94*

[Text] On 18 February 1994, the National Army of Democratic Kampuchea [NADK] and local people ambushed the attacking troops of the two-headed government and the Vietnamese communist puppets in areas south and west of the Anlung Veng region. The attacking troops had launched an offensive in Anlung Veng with an infantry unit moving in front of three T-54 tanks, and another infantry unit behind the tanks. The NADK and local people intercepted a group of the forward infantry troops and attacked the troops behind the tanks. In a few minutes, we killed or wounded many of the infantry troops in the rear. The survivors retreated in disarray, leaving the tanks behind. At the same time, we assaulted the infantry troops in front of the tanks. They were all killed, wounded, or forced to flee in disarray by our surprise attack. Moreover, they knew that the infantry troops in the rear had been routed, and thus they had no support in the rear. At that moment, we encircled the three tanks that were isolated like iron ingots in the open field. The occupants of the tanks jumped out and took off their uniforms so that no one could tell whether they were officers or rank and file. We destroyed two of the T-54 tanks and captured another.

On the same day, we damaged another T-54 tank west of Lumpong. We also killed Brigadier Generals (Suan Siphon) of Division 5 and (Chin Ieng) of Division 286, two colonels, and 36 soldiers; wounded 60 enemy soldiers; and captured 27 others.



According to a report from Route 68, nearly 100 puppet soldiers deserted the front lines and arrived at Route 68.

The enemy is being encircled and smashed bit by bit. We are attacking and smashing the enemy communications lines in particular. The doomsday of the military ring-leaders of the Vietnamese communist puppets and the two-headed government is drawing near.

#### **Government Troops Said Defeated in Pursat**

*BK2302073694 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 22 Feb 94*

[Text] Armed people, in cooperation with the National Army of Democratic Kampuchea [NADK], attacked, destroyed, and completely dispersed the two-headed government's troops invading Kompong Roka Commune in Leach District of Pursat Province on 10 February. We killed five enemy soldiers on the spot and wounded more than 10 others. We also destroyed a communal office building, a police station, and 10 firearms, and we seized 13 assorted guns, including a B-40 rocket launcher and two M-72 weapons.

The two-headed government mustered and sent a battalion from the Pursat provincial town to further invade the liberated commune on 12 February. The people and NADK, however, sprung an ambush at Prey Thom, killing three enemy soldiers and wounding eight others and dispersing and forcing the others to retreat. We also captured two invading soldiers and seized three AK rifles, 16 knapsacks of rice, and some war materiel.

Following the attack and destruction by our people and NADK of the train carrying war materiel in an area between Krang Chhvea and Re Phlak [Kompong Chhnang Province], the Vietnamese communist puppets and two-headed government on 16 February marshalled and sent 230 soldiers from their remaining weary forces to invade the area. Their invasion, however, was completely destroyed by our people and NADK. We killed eight enemy soldiers, wounded 15, and forced the others to beat a hasty retreat. We destroyed 11 assorted arms and a significant quantity of war materiel and seized 12 guns, including seven AK rifles, three B-40 rocket launchers, and two 60-mm mortars, as well as some ammunition.

#### **Thailand**

#### **PRC Official: No Economic Impact From Li Visit**

*BK2302104194 Bangkok ZHONG HUA RIBAO in Chinese 22 Feb 94 p 8*

[Text] Chinese Embassy Counselor Nie Haiqing told our correspondent yesterday that the state of investment by Thai entrepreneurs in China is relatively good. They invested a lot in China last year. Some investment projects are still under discussion. For example, Anan Panyarachun, former prime minister and now president of the Saha Union Group, is negotiating with China to form joint ventures to set up electricity generating plants in Tianjin

and Zhuozhou in Hebei Province. He said that China was encouraging the kind of investments proposed by Anan Panyarachun. China welcomes investment in such infrastructure projects as power plants, highways, and ports.

He said that Thai entrepreneurs had achieved good results from their investments in China. The Zhengda Group [Charoen Phokhaphan Group] has already invested in 26 [as published] provinces.

Asked whether or not the recent visit to Thailand by Taiwan's Li Teng-hui will affect Thai-Chinese economic relations, the Chinese commercial counselor said there would be no impact. The investment atmosphere in China is good; entrepreneurs invest in areas that have a favorable investment atmosphere. In business circles, businessmen will not get involved in politics. So he believes that the visit will not affect investment activities between the two countries.

He said that China has a population of 1.2 billion people, a vast market for products.

#### **Suspect Box May Be Depleted Uranium From U.S.**

*BK2302074694 Bangkok BANGKOK POST in English 23 Feb 94 p 1*

[Text] The tin box marked "Uranium: Danger" that was seized by a Burapha Task Force unit in Aranyaprathet over a week ago is believed to be depleted Uranium 238 that was used by the U.S. Army in the Vietnam war. A source at the Army's Scientific Department said the military always used this depleted uranium for the purpose of making armour-piercing bullets because of its high penetration power. He said Thai army officers had occasionally received similar items in the form of sticks from its intelligence unit but it had never come in a tin box.

The source said the department so far had not sent any officer to fetch the box to determine the type of substance it contains, but he believes it might be Uranium 238, as it was widely used by the U.S. Army. If not, it might be parts smuggled from a small research nuclear reactor unit in Dalat, Vietnam.

A Vietnam war expert said the unit was given to the Vietnamese government during the Vietnam war for research purposes but the U.S. government took back all its equipment in 1975. He said that the USSR donated the equipment needed to resume the operation of the small research reactor in Dalat in 1976. He dismissed the report that the box might contain uranium since he had never seen it when he was in Vietnam during the war. He believed that it might be a joke or the work of a gang of swindlers.

Meanwhile, the Office of Atomic Energy for Peace said depleted uranium has low radioactivity and would not be a danger to anything and cannot be used to produce nuclear weapons.



### **Japanese Rice Orders Cause 'Artificial' Demand**

*BK2302041494 Bangkok THE NATION in English  
23 Feb 94 p B1*

[Text] The high price of Thai rice resulting from a surge in Japanese orders is artificial and farmers would be devastated if demand subsided, exporters warned.

"Rice demand from Japan is artificial. It will go on for a while, not forever," said a source. Japan allowed rice imports for the first time in decades this year after an unusually wet summer damaged its crops. Under a new Gatt accord, the country is also required to import four per cent of total domestic rice consumption starting in 1995.

Thai rice farmers enjoy high prices due to Japan's demand for at least 800,000 tonnes of premium grain, said the source. Demand has steadily pushed up global prices for the product. To ensure supplies, Thai exporters helped bolster the domestic price of premium rice. Tokyo agreed to buy 457,000 tonnes of 100 per cent and sticky rice in four lots. Last year's price for the first lot started at US\$273 per tonne and soared to \$450 for the fourth. Thailand plans to expedite delivery of the latest 194,000 tonnes at a freight-on-board price of \$495 to Japan.

Currently, the domestic price of rice is Bt510 per 60 kg, while it is normally Bt490 at this time of year. The source warned that if Japanese demand for rice increases, "Thais, perhaps, could be forced to pay more for the same rice." But if Japan halts its orders, the price plunge would cause havoc primarily among farmers, the source said. Japan's rice imports mainly benefit large Thai companies, the source added. Under Japan's system, rice import quotas are allocated to 11 major Japanese trading firms. Amounts assigned depend on each company's performance since World War II.

These semi-cartels are then paired with major Thai rice exporters to facilitate orders. Small and medium-sized Thai exporters are barred from competing. Among the pairs are Japan's Mitsui with Thailand's Hong Yiah Seng; Mitsubishi with Capital Rice; Marubeni with Thai Hua; Tomen with Huay Chuan Rice; Seto with EPC Rice; and Nichiman with Soon Hua Seng.

The same source told THE NATION that Capital Rice's venture with Mitsubishi resulted in a 60,000 tonne order for the former when Tokyo agreed to import an additional 194,000 tonnes.

"It is believed that a company could have a profit of \$100 per tonne," the source said.

Small and medium-sized Thai rice exporters have rushed to Japan to lobby for quota allocation changes enabling them to share in the wealth, the source said, as Tokyo plans to import 200,000 tonnes from Bangkok in addition to its 800,000 tonne order last year.

### **Laos Extends Checkpoint Immigration Service**

*BK2302062694 Bangkok BANGKOK POST in English  
23 Feb 94 p 10*

[Text] The Laotian Government has ordered all of its immigration checkpoints on the Thai-Laotian border to be open every day, according to Deputy Transport and Communications Minister Charat Phuachuai. Mr Charat said the order followed his recent request to Laotian PM's Office Minister Phao Bounnaphon to open the checkpoints seven days a week.

Laotian border immigration checkpoints with Thailand earlier opened from Monday to Saturday from 8 a.m. to 5 p.m. and closed every Sunday, he said. This forced tourists from the Thai side who crossed the border on Saturday to come back the same day. Checkpoints which worked on Sunday would enable tourists to stay in Laos on Saturday night and return to Thailand the next day, he said.

Laos has international immigration checkpoints with Thailand at Vientiane (opposite Nong Khai), Bokeo (opposite Chiang Khong district of Chiang Rai province) and Pakse (opposite Ubon Ratchathani province).

These international checkpoints were ordered from February 16 to open from 8 a.m. to 6 p.m. and temporary checkpoints were to open from 8 a.m. to 5 p.m. with a 50 baht charge per tourist, Mr Charat said.

### **Cabinet Approves Plan To Build Airport in Laos**

*BK2302085794 Bangkok Radio Thailand Network in English 0000 GMT 23 Feb 94*

[Text] The Cabinet yesterday approved a project to develop Luang Prabang Airport in Laos as proposed by the Ministry of Foreign Affairs.

The foreign minister or his representative will sign a memorandum of understanding on the project with the Lao Government. About 50 million baht has been set aside for the development of the airport in Luang Prabang, the former royal capital of Laos.

Construction will begin in May this year and is scheduled to be completed within 20 months. Laos will waive income taxes and other duties and various fees for the personnel, vehicles, and materials involved in the project. Related agencies of both countries will set up a technical working group to facilitate the implementation of the project. The group is empowered to supervise, control, and make decisions on the project.

### **Defense Minister Supports Arms Barter Policy**

*BK2302031894 Bangkok THE NATION in English  
23 Feb 94 p A1, A2*

[Text] Defence Minister Wichit Sukmak yesterday vowed to ensure that all military agencies comply with the government's food-for-arms counter trade policy despite dissatisfaction by several top brass.



Meanwhile, Prime Minister Chuan Likphai and other Cabinet members vowed to move forward with the policy. But the prime minister said only major arms deals, not small ones, should be subject to the barter trade policy. He said other government agencies, not only the military, would also be required to consider the possibility of barter trade negotiations.

Wichit, a non-MP and non-partisan member of the Chuan Cabinet, claimed that "politics" was behind the show of dissatisfaction by the generals over the trade policy. But the defence minister would not elaborate.

"I don't want to talk about it," Wichit said when asked what he thought had prompted the top brass to come out to attack the government over the policy. "Even a neutral guy like me has taken so much blame over this. This has been politicized. I am working for the people's interest and the policy is a good one which will benefit the country's economy."

On Monday, Army Commander in Chief Gen Wimon Wongwanit strongly criticized the Defence Ministry for having allegedly failed to coordinate government and military discussions about the counter trade policy.

"All the problems and confusion should be referred to the permanent secretary for defence or the defence minister," Wimon said. "I want to know how they interpret the government's policy and whether they can explain it."

Last week, following a meeting of the Defence Council, a policy-making body of military agencies, several top brass came out to attack the policy as "impractical". They said the policy would severely affect the armed forces plan to modernize their weapons and delay arms purchases. The country's interest would eventually be affected if the prices went up after the delay, they said. They said no arms dealers would be interested in bartering their weapons for Thai commodities. But government leaders said the generals misunderstood the policy. The government wanted only that the armed forces keep the Commerce Ministry informed about their planned arms purchases. The ministry and other agencies concerned could then try to negotiate with the governments of the arms dealers to buy Thai agricultural products in return.

Wichit said the policy should not be called "barter trade" as it would bring about confusion.

"The Nov 2 Cabinet resolution is clear-cut," Wichit said. "They just want the armed forces to help government agencies concerned to negotiate with the arms-selling countries to buy our agriculture products."

Wimon and several generals have complained that their main duty was to defend the country, not to conduct trade negotiations. But Wichit said yesterday it should pose no problem for the armed forces to help other government agencies concerned in the negotiations.

"I've told the Cabinet that the Defence Ministry is not good at trade negotiation. But I am also obliged to respond to the need of other ministries concerned. We can help the

ministries carry out the negotiations in the first place because the armed forces could tell the arms suppliers that their country should buy some Thai products too," Wichit said.

He said he had explained the government's policy to chiefs of staff of all the armed forces, and there should be no problem or misunderstanding.

He said military attaches to Thai embassies in foreign countries could also help in the counter trade negotiations.

Wimon had complained on Monday that all army purchase plans had "bounced back".

Government Spokesman Aphisit Wetchachiwa quoted Wichit as telling the Cabinet that he wanted all arms purchases to be carried out in line with the food-for-arms policy. But Chuan told reporters yesterday the government wanted only major arms purchases to be carried out in line with the counter trade policy.

"If they want to buy only 100 to 200 rounds of cannon ammunition, they don't have to negotiate for the counter trade," Chuan said.

"The defence minister has offered to consider by himself which deals should be conducted under the counter trade policy. So, the final decision on which deals should be subject to the counter trade policy will depend on the minister. But if a deal is only Bt1 or 2 million worth, no negotiations are needed."

Deputy Prime Minister Suphachai Phanitchaphak said yesterday that the Air Force plan to purchase G-222 transport planes from Alenia, an Italian firm, had to be further delayed. He said the Thai government had to wait until Italy has a new government before sending representatives to negotiate with the country to buy Thai agriculture products in return for the plane purchase.

"The negotiation may take place next month or in April," Suphachai said. "The Air Force will not be affected because we will at least be able to buy the planes on the same quotation."

The deputy prime minister said the government only wanted to help farmers with its barter trade policy.

### **Cabinet Approves First 'Balanced Budget'**

*BK2302032294 Bangkok THE NATION in English  
23 Feb 94 p A1*

[Text] The Cabinet yesterday approved a Bt715-billion budget for fiscal year 1995, the first balanced budget during the term of the elected government of Prime Minister Chuan Likphai. The figure represents a 14 per cent increase from the 1994 budget.

Prime Minister Chuan Likphai said the balanced budget was possible because the country's economic growth during the past year had passed the government's target and because more efficient tax collection was expected. The 1995 Budget Bill will be forwarded to the House of



Representatives for deliberation in June, he said. The 1995 fiscal year starts this October.

Government spokesman Aphisit Wetchachiwa denied that discussion of the budget at the Cabinet meeting yesterday was linked to a possible dissolution of the House.

Earlier rumours suggested that the government wanted to rush the 1995 Budget Bill through Parliament then dissolve the House before calling a snap general election. Aphisit dismissed the rumours, saying the government had to prepare the bill in advance so the budget could be approved in time for the beginning of the new fiscal year.

### Vietnam

#### Talks With U.S. on Property Seizures Slated

BK2102152194 Hanoi Voice of Vietnam in English  
1000 GMT 21 Feb 94

[Text] A United States team will arrive in Vietnam at the end of this month to discuss issues including the state of the property seized by each country at the time of the communist victory in 1975.

Quoting Vietnamese Deputy Foreign Minister Le Mai, THE NEW YORK TIMES newspaper last Saturday said among the assets the team was expected to discuss was the former United States embassy in Ho Chi Minh City and South Vietnamese bank accounts in the United States.

Mr. Le Mai told THE NEW YORK TIMES that Vietnam wanted liaison offices to be embassies in all but name, and that the United States has assumed a superior attitude in its discussions with Vietnam. He said they were always reminding the Vietnamese people they were dealing with a superior power. Sometimes, we feel that the United States doesn't [words indistinct] on an equal footing, Mr. Le Mai added.

#### Commentary Previews ASEAN Chief's Visit

BK2102004394 Hanoi Voice of Vietnam in English  
1000 GMT 21 Feb 94

[Station commentary]

[Text] The general secretary of the Association of Southeast Asian Nations, or ASEAN, Mr. Ajit Singh, is to visit Vietnam from February 21 to 25. Now Thu Hang will bring you our comment on the purpose of the visit:

This is the first visit to Vietnam by an ASEAN general secretary, and highlight coordinations between Vietnam and ASEAN are entering a new stage for cooperation and mutual development. Vietnam's participation in the Bali Treaty and in the foreign ministerial conference of ASEAN member countries last year has created conditions for Vietnam to join in regional political and economic cooperation. As well as ASEAN countries' investment in Vietnam is also greatly increasing. [sentence as heard] Singapore has 49 projects in Vietnam with a total capital of more than U.S.\$366 million; Thailand, with 43 projects

worth nearly U.S.\$150 million; Indonesia, 13 projects with the total capital of U.S.\$175 million; Malaysia, 20 projects worth U.S.\$163 million; the Philippines, nine projects with the total capital of U.S.\$47 million; and Brunei which has invested about U.S.\$1.5 million. In comparison with the three previous years, the investment from these countries increased 10 times. Over 40 agreements on economic and trading cooperations, payments, credits, aviation, and navigation have been signed between Vietnam and members of the ASEAN. In addition, dozens of joint ventures between Vietnam and ASEAN countries are underway in Vietnam.

Political relations between Vietnam and ASEAN member countries have also improved. Vietnamese Prime Minister Vo Van Kiet has visited all six of the ASEAN member countries. Recently, Vietnamese party leader Do Muoi visited Singapore and Thailand, and state and government leaders of six ASEAN countries also came to Vietnam. Singaporean Prime Minister Goh Chok Tong pledged to do his utmost to help Vietnam in the latter's process of economic renovation. Thai Prime Minister Chuan Likphai stressed that Vietnam's quick development will help to promote development throughout the region.

Relations between Vietnam and ASEAN member countries are developing effectively and will make the visit to Vietnam by the ASEAN general secretary a success and will help to create peace, stability, cooperation, and prosperity in Southeast Asia.

#### Foreign Minister Welcomes Ajit Singh

BK2102131594 Kuala Lumpur BERNAMA in English  
0909 GMT 21 Feb 94

[By Rachman Nordin]

[Excerpt] Hanoi, Feb 21 (OANA-BERNAMA)—Vietnam is confident a new stage of cooperation with ASEAN was unfolding with the first visit by ASEAN Secretary-General Ajit Singh to the country Monday, Foreign Minister Nguyen Manh Cam said.

In welcoming Ajit Singh and his wife, Cam said Vietnam-ASEAN ties saw rapid and constant development in recent years, culminating in Vietnam being accorded observer status at ASEAN ministerial meetings for the past two years. Ajit Singh, who had the honour of being the first state guest this year, was received at the newly-renovated government guest house in Le Tach Street.

In his reply, Ajit Singh, who was Malaysia's Ambassador to Vietnam from 1980 to 1982, said he was impressed by the remarkable changes in Vietnam. Ajit Singh and Cam later adjourned for closed-door talks at the same venue.

Earlier, while waiting for Ajit Singh, Cam told reporters they would discuss [words indistinct] Vietnam cooperation in training and communications, among other things. [passage omitted]



**Le Duc Anh Meets Out-Going Indonesian Ambassador***BK1902150794 Hanoi VNA in English 1427 GMT 19 Feb 94*

[Text] President Le Duc Anh received here this afternoon Mr. Juwana, ambassador of the Republic of Indonesia who paid him a farewell visit at the end of his term of office in Vietnam.

Speaking to his guest, President Le Duc Anh highly appreciated the ambassador's contributions to the consolidation and promotion of the friendship and cooperation between Vietnam and Indonesia, and expressed his belief that the friendship and cooperation between the two countries would be further developed in the interests of the two peoples, for peace, stability and development in the region. President Anh asked Ambassador Juwana to convey his regards to President Suharto and wished the Indonesia people happiness and prosperity. For his part, Mr. Jawana expressed his sincere thanks to the Vietnamese Government and people for creating favourable conditions for him to fulfil his mission in Vietnam.

**Vice President Nguyen Thi Binh Arrives in Algeria***BK2202150394 Hanoi VNA in English 1411 GMT 22 Feb 94*

[Text] Hanoi VNA Feb. 22—Vice President Nguyen Thi Binh arrived in Algiers on Feb. 21 for a 4-day official friendship visit to Algeria as guest of the Algerian state and government leaders. Mrs Binh and her party were welcomed on their arrival at Boumediene Airport by Prime Minister Edha Malek, several cabinet ministers and other senior Algerian officials. Mrs Binh's entourage includes Minister of Public Health Nguyen Trong Nhan, Vice Foreign Minister Nguyen Di Nien, Vice Minister of Agriculture and Food Industry Thien Luan, Vice Minister of Commerce Mai Van Dau. In an interview with an Algiers-based VIETNAM NEWS AGENCY correspondent Vice President Nguyen Thi Binh said that her visit is aimed at consolidating and strengthening the relations of friendship and cooperation between the two countries. This, she said, is an opportunity to exchange views on issues of bilateral cooperation and other issues of common concern.

**Foreign Minister Defines Goals of Cambodia Visit***BK2102162194 Hanoi Voice of Vietnam in English 1000 GMT 21 Feb 94*

[Text] Vietnam and Cambodia are determined to promote comprehensive cooperation. Speaking to newsmen in Phnom Penh on the weekend, Vietnamese Foreign Minister Nguyen Manh Cam said his visit was to promote better relations between the two neighboring countries and prepare for the coming visit to Cambodia by Vietnam's Prime Minister Vo Van Kiet. During his visit, Mr. Cam discussed with his Cambodian hosts issues relating to economic, commercial, cultural, and technological agreements that will be signed during the coming visit by Prime

Minister Vo Van Kiet. The Vietnamese foreign minister also said that an agreement on avoidance of double taxation will be signed during Mr. Kiet's visit.

**National Assembly Delegation Departs for PRC***BK2102152394 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 21 Feb 94*

[Text] An SRV National Assembly delegation led by Comrade Nong Duc Manh, member of the party Central Committee Political Bureau and chairman of the National Assembly, left Hanoi on 21 February to pay a friendly official visit to China at the invitation of Comrade Qiao Shi, member of the CPC Central Committee Political Bureau and chairman of the PRC National People's Congress Standing Committee.

Accompanying Comrade Nong Duc Manh are National Assembly Vice Chairman Phung Van Tuu; Vu Mao, head of the National Assembly Office; Tran Thi Tam Dan, chairman of the National Assembly Culture, Education, Youth, Teenagers, and Children Committee; Tran Van Tac, deputy chairman of the National Assembly Foreign Relations Committee; Dang Thi, National Assembly deputy from Ha Giang Province; Nguyen Quoc Thiep, deputy from Nghe An Province and member of the National Assembly National Defense and Security Committee; Tran Thi Kim Van, deputy from Song Be Province and member of the National Assembly Judiciary Committee; and Nguyen Khoa Kim Boi, deputy from Thua Thien-Hue Province.

According to the schedule, the Vietnamese delegation will visit Beijing, Sondong, Nanning, and Guangzhou.

**Delegation of Peoples Bank of China Visits***BK2202153294 Hanoi VNA in English 1415 GMT 22 Feb 94*

[Text] Hanoi VNA Feb. 22—A delegation of the People's Bank of China led by Deputy Governor Nhen Yuan paid a visit to Vietnam from Feb. 19 as guest of the Vietnam State Bank's governor.

While here, the delegation had working sessions with officials of the Vietnam State Bank to exchange experiences and to discuss how to expand the cooperation in the banking field between the two countries. Today the delegation left here for a visit to Ho Chi Minh City.

**Radio Reviews Upcoming Diplomatic Activities***BK2202013894 Hanoi Voice of Vietnam in English 1000 GMT 21 Feb 94*

[Text] The spokesman for the Vietnamese Foreign Ministry told a press conference last week that in the next month, Vietnam would experience many diplomatic activities. Following is our review:

In late March [as heard], Vietnamese National Assembly Chairman Nong Duc Manh will visit China at the invitation of Mr. Jie Zhou [as heard], member of the Standing



Committee of the National People's Congress of China. The two countries will attempt to strengthen cooperative relations between the two legislative bodies. Chairman Nong Duc Manh is also scheduled to visit Sandong, Nanning, and Guangzhou.

Vietnam will also receive a number of high-level foreign delegations early in March. Mongolian President Ochirbat will be the first one. It will be the second visit to Vietnam by a Mongolian president since the two countries established diplomatic relations in 1954. The visit aims at developing the friendly relations and cooperations between the two countries in a new global situation. The other delegations will be Singaporean Prime Minister Goh Chok Tong and his wife, who will discuss with the Vietnamese Government the development of multisided cooperation between the two countries. It will be the first visit to Vietnam by the Singaporean state leader since August 1973, when Vietnam and Singapore set up diplomatic relations. And British Princess Anne will visit Vietnam from 2-6 March. The British princess will pay courtesy visit to Vietnamese leaders and visit traditional cultural places of Vietnam, humanitarian centers, and joint venture enterprises between the Great Britain and Vietnam. The princess will also study the process of renovation in Vietnam as well as its foreign and domestic policies. In early March, the Cuban foreign minister will visit Vietnam to strengthen the friendship and cooperation.

All these visits prove Vietnam's open door policy to befriend with all nations in the world has been warmly welcomed worldwide. It has created favorable conditions for Vietnam to effectively promote its process of renovation.

#### **Vo Van Kiet Chairs Economic Development Meeting**

*BK1702111794 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 16 Feb 94*

[Text] On 16 February in Can Tho City, Prime Minister Vo Van Kiet held a meeting with key Mekong River Delta leaders to discuss the transfer of the regional economic structure until the year 2000. Representatives of ministries, government components, and the 9th Military Region attended the meeting.

In his statement, the prime minister stressed: This exchange of views is aimed at understanding the party's practical line, policies, measures, and investment planning from now until the year 2000. The meeting, together with its follow-up opinions, will actively contribute to the seventh party plenum to be held in the middle of 1994.

Vo Van Kiet mentioned two major issues for the delegates to discuss: common issues of the transfer of economic structure in the Mekong River delta and urgent issues relating to isolated areas, former revolution bases, and areas inhabited by ethnic Khmer people. He reminded the delegates to pay more attention to the construction of infrastructure projects in the region.

With respect to economic programs, the prime minister held that the Mekong River delta needs to change its economic structure under the direction of industrialization and modernization to develop its production capacity by exploiting its regional economic advantages and biological conditions to meet demand on domestic and foreign markets. At the same time, the region needs to broaden its mechanization and electrification at different levels to suit the varying rural situation. The local agriculture-industrial economic models with different economic sectors to attach agriculture production with processing industry must be established.

Regarding agriculture, the Mekong River delta needs to improve its production quality and ensure stable and firm rice production. We must gradually solve problems relating to the post-harvest area and consumption market. We must continue to increase our advantages in aquaculture by semi-extensive and extensive breeding. At the same time, we have to consider policies to encourage production such as credit policy and so forth.

In industry, we must mainly develop processing industries for agricultural and aquacultural products. We must gradually increase the production of building materials to fully exploit local advantages and meet regional demands. Fundamental industries such as electricity, machinery production, and chemicals must be improved to provide better service for processing industries.

The meeting was held on 16-17 February.

#### **Mekong Delta Rice Output Mentioned**

*BK1902102094 Hanoi VNA in English 0615 GMT 19 Feb 94*

[Text] Hanoi VNA Feb. 19—"The Mekong River delta is an area of great potentials, and has an important role to play in the country's development cause, that is why an industrialization and modernization strategy must be worked out immediately to develop this region," said Prime Minister Vo Van Kiet.

He was speaking at a two-day meeting on the transform of economic structure in the Mekong delta held in Can Tho city, the Mekong River delta province of Hau Giang. The meeting drew the participation of secretaries of the party committees and chairmen of the people's committees of 11 provinces in the region.

On the transform of the Mekong delta's economic structure, Prime Minister Vo Van Kiet said that the construction of socio-economic infrastructural bases is the foremost task aiming at ensuring a firm base for the socio-economic development and improvement of local people's cultural standards. At present, he noted, the Mekong delta's infrastructural base is too low.

It was reported that each year this region produces over 11 million tonnes of rice, accounting for nearly half of the country's total rice output. Thus more investments in rice cultivation, particularly special rice-growing areas, are needed. Furthermore, the Mekong delta provinces had



great potentials in breeding pigs and ducks, and planting fruit trees and industrial crops. Aquatic products are also a strong point of the region.

#### **Further on Proceedings at Corruption Trial**

##### **Third Day Proceedings**

*BK1902122994 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 19 Feb 94*

[Text] The Criminal Court of the Supreme People's Court entered its third day of work in Hanoi today. The case in this trial, which is preliminary as well as final, involves roundabout dealings with 4,000 tons of steel designed for the construction of the north-south 500-kilovolt powerline. These dealings caused 3.1 billion dong in losses to the state budget.

This afternoon—after two and a half days of interrogating the suspects, witnesses, and some relevant public organs—Mr. Nguyen Tien Dam, a senior officer who represented the Supreme People's Organ of Control at the trial, presented a conviction report. Afterward, lawyers continued their defense of the suspects in this case.

The court will continue its session on Monday, 21 February.

##### **Fourth Day Proceedings**

*BK2102124194 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 21 Feb 94*

[Text] The Criminal Court of the Supreme People's Court continued its trial for the fourth day in Hanoi on 21 February. This trial, which is preliminary as well as final, involves roundabout dealings with 4,000 tonnes of steel designed for the construction of the North-South 500-kilovolt power line.

The court heard lawyer Le Kim Tuyen's report defending Vu Ngoc Hai; lawyer Vu Thien Kim defending Le Nien; lawyer Nguyen Trong Ti defending Dinh Ngoc Dat; lawyer Dang Van Xa defending Nguyen Dinh Lam; lawyers Vu Trang, Le Minh Duc, and Nguyen Van Giang defending Doan Trung Thanh and Doan Thi Huu Nghi; and lawyers

Do Hai, Hoang Lan, and Nguyen Van Tien defending Nguyen Duc Ai and Nguyen Trong Sang.

Afterward, the court allowed the defendants to present their final testimony.

The court will continue its session tomorrow, 22 February.

#### **Labor Ministry To Allow Strikes as Last Resort**

*BK2102130594 Hong Kong AFP in English 0909 GMT 21 Feb 94*

[Text] HANOI, Feb 21 (AFP)—Vietnamese workers will be allowed to strike to defend their interests, but only as a last resort, a Ho Chi Minh City labor union newspaper cited the Labor Ministry as saying. The Labor and Social Affairs Ministry told provincial authorities Friday that workers would have the right to strike after all efforts at conciliation were exhausted, the union weekly, NGUOI LAO DONG, said in its latest edition. But it added that workers planning to strike would have to submit to management a written warning 15 days prior to any action.

The ministry also called for the formation of conciliation and arbitration councils in local companies, in conjunction with regional state labor boards, to help resolve disputes between workers and their bosses, the newspaper said. If disputes were not resolved under the system, employees could strike two weeks after submitting a written warning. Negotiations would continue over the duration of a strike, the newspaper added.

In the absence of a labor code, which the National Assembly is expected to be adopt in mid-June, the right to strike comes as social conflicts have multiplied in recent months, especially in the south.

The Vietnamese press reported on three strikes that took place shortly before Tet—the Lunar New Year—at the beginning of the month in three major companies, one in Hanoi. The most drastic was at Ho Chi Minh City's Vitexco, where 500 workers stopped work, demanding a new year bonus increase and social security guarantees. Some 140 Ho Chi Minh City street sweepers also went on strike with the same demands. In the capital, 200 factory workers struck for 48 hours over low and inequitable salaries, the newspaper said.



## Australia

### Defense Minister Comments on Strategic Review

BK2202101194 Melbourne Radio Australia in English  
0630 GMT 22 Feb 94

[From the "International Report" program]

[Text] Australia's defense links with Jakarta are now just as important as those with Washington. That is the conclusion to be drawn from the first strategic review of Australia's defense priorities since the end of the Cold War. The unclassified version of the report clearly locks Australia's military needs into Asia, particularly Southeast Asia. And it also identifies China as possibly having major security implications for the region. John Shuvlan spoke to the Australian defense minister, Robert Ray.

[Begin recording] [Ray] Well, I think they are both equally important. Clearly Indonesia is the key country in our particular region. We are delighted at the extent we have been able to reestablish with them our defense links since setbacks in 1986. It's been a very smooth transition from the past somewhat brittleness into a very durable relationship.

[Shuvlan] We still see or we see now our relationship with the U.S. virtually in Asian terms, don't we? If it is good for Asia, then it is okay.

[Ray] Fairly much so, but it is not the only aspect of our relationship with the United States that is important. We have a very strong relationship on the intelligence side, on equipment purchases, on technological transfer. They have been very good to us in the last few years when we wanted to acquire different defense platforms, enormously cooperative as seen even recently through two or three second hand buys where we have been given the first choice of equipment.

[Shuvlan] So, they are not really, though, as I think Menzies may have put it years ago our great and powerful friend anymore.

[Ray] Oh certainly over five decades the relationship changes. But there are less bilateral issues between us now, actually, to disturb the relationship than has been in the last 50 years.

[Shuvlan] The other emerging great player in terms of a military might is China. How concerned are we about China's military future?

[Ray] Well, certainly, the Chinese defense force are going through a substantial upgrade and modernization and a lot of that is to do with the fact that they have got a fairly archaic structure. But clearly, as an economic power, they are going to, if they continue at the current rates of economic growth, be a very powerful force.

At the moment, however, you have to distinguish between capability and intent and they are showing no intent in fact of misbehaving in the region. It is a matter that is probably

of more concern to some of our neighbors than to us directly because of the historic nature of the Chinese relationship in the region.

[Shuvlan] So, let us say for example, the Indonesian archipelago is something almost like a bulwark between Australia and China.

[Ray] Well, I don't see it in those direct terms, but clearly Indonesia, if it is a friend and we are engaged in a strategic partnership with them, is very much Australia's frontline defense. Someone else will have to defeat Indonesia first. But this strategic review is not looking toward an immediate threats emerging. Just to the long view that we should try to establish as good relationship as we can with the various countries of our region.

[Shuvlan] So it would take a some kind of a rogue regime in Beijing for the major security implications that you talked about in the report to take effect?

[Ray] Well, I am not going to target any particular regime in any particular country. No strategic review does that, at least not in the declassified version. But I have to say that, you know, just developing this not just bilateral relationships but good relationships in the region very much promotes our own security. [end recording]

### Evans Confirms Inquiry Into ASIS Operations

BK2302064194 Melbourne Radio Australia in English  
0500 GMT 23 Feb 94

[Text] The foreign affairs minister, Senator Gareth Evans, has confirmed there is to be a judicial inquiry into Australia's overseas intelligence organization, ASIS [Australian Security Intelligence Service]. Sen. Evans told parliament the government has given in principle agreement to an inquiry that will look into the operation and management of ASIS. There have been calls for such an investigation following allegations which two former ASIS spies made on a documentary screened earlier this week on the ABC [Australian Broadcasting Corporation] program, Four Corners.

Among the allegations was that ASIS kept files on thousands of Australian citizens, that agents spied for Britain in the Middle East, and that secret payments were made to rebel army officers in the Philippines who had tried to overthrow the Aquino government. But Sen. Evans said the inquiry had been under active consideration for some time well before the latest allegations.

## Fiji

### Election Officials Concerned by Low Voter Turnout

BK2202111694 Hong Kong AFP in English 0849 GMT  
22 Feb 94

[Text] SUVA, Feb 22 (AFP)—Fiji's Chief Justice Sir Timoci Tuivaga rejected Tuesday an attempt by the governing Soqosoqo ni Vakavulewa ni Taukei (SVT) party to



stop polling in Tailevu Province to allow renominations for this week's election. The SVT, headed by Prime Minister Sitiveni Rabuka, wanted to nominate another candidate followed the death of Home Affairs Minister Ratu William Toganivalu during the period allowed for objections.

However, Tuivaga rejected the application for an injunction on the grounds that Toganivalu had died during this period and his nomination papers had become irrelevant in the election for Tailevu. Toganivalu had been replaced by a close associate who had entered the election as an independent.

Meantime, election officials said they were concerned by what is considered here to be a low voter turnout at the start of Fiji's week-long general election, particularly in Suva. They reported that in some areas turnout was down to between 60 and 70 percent.

"We have given the snap general election a lot of publicity but people have not been turning up to vote since we began last Friday," an election official said.

"It's now up to election candidates to provide transport for their supporters and take them to their respective polling stations," he said. Polling has been quiet and incident-free.

### Papua New Guinea

#### Indonesian Embassy on Irian Jaya Peace Talks

*BK2302085394 Melbourne Radio Australia in English 0500 GMT 23 Feb 94*

[Text] The Indonesian Embassy in Port Moresby says it knows nothing about a proposal for roundtable peace talks involving separatists in Irian Jaya. A representative of one faction of the West Papua Freedom Movement, the OPM [Operasi Papua Merdeka], has told Papua New Guinea's [PNG] national radio that his supreme commander is suggesting peace negotiations with the Indonesian Government to end 30 years of sporadic fighting in Irian Jaya. Sean Dorney reports:

[Begin Dorney recording] The statement issued to PNG's National Broadcasting Commission quotes (John Koknaks), who is also known as (John Soma). Last year, several Irian Jayan rebel factions near the southern end of the 750-kilometer PNG-Indonesian border named this young former University of Papua New Guinea student as the supreme commander of the West Papua National Liberation Army (?POKANAU). The Indonesians don't recognize him at all and the spokesman for the embassy in Port Moresby said they had received no information or documents relating to his proposed talks. [end recording]

### Vanuatu

#### Opposition Considers Coalition With Ruling Party

*BK2202022594 Hong Kong AFP in English 1436 GMT 21 Feb 94*

[Text] PORT VILA, Feb 21 (AFP)—Vanuatu's opposition announced Monday it will reverse its usual position and consider forming a coalition with the ruling party to end the presidential election stalemate, the national radio reported Monday. Opposition Vanuaaku Pati (VP) coordinator Peter Taurakoto announced the group was considering forming a new political coalition with the Union of Moderate Parties (UMP), which heads the coalition government. The new coalition would help elect a new president of the republic next March 2, when the electoral college meets for the third time, he said.

Last week, the island state's electoral college, which consists of 46 MPs and 10 local government council presidents failed twice to elect the country's third head of state. No one party had a sufficient majority to meet the college's two-thirds—38-vote—requirement.

Taurakoto explained the opposition's decision followed failure to reach an agreement with former prime minister Walter Lini's National United Party (NUP), which considers itself an "independent opposition" group.

Vanuatu Prime Minister Maxime Carlot said last Thursday it was "time to talk" for his government majority and the opposition in order to fill the presidential post.

The opposition parties formed an alliance in 1992 that includes the four parties, the VP, led by Kalpokas, Barak Sope's Melanesian Progressive Party, the Tan Union, headed by Vincent Boulekone and Nagriamel, led by Franky Steven.

The alliance had planned to vote for a no-confidence motion against Prime Minister Maxime Carlot's coalition government.

Taurakoto said earlier that if the coalition agreement was reached with the UMP, the new coalition would leave out the two NUP factions—Lini's "opposition" and minister Sathy Regenvanu's pro-government group.

Carlot's government consists of a majority of eight ministers from the ruling UMP and three NUP ministers, who decided not to follow Lini when he withdrew last August from the UMP-NUP coalition government.

Regenvanu, the deputy prime minister and NUP minister for justice, culture and women's affairs issued a statement Monday saying that the opposition's decision to join the government was an "indication of desperation." It is an "180-degree turnaround" from an opposition group which, he said, wanted to bring down the government.

Regenvanu, who now heads a group of three dissident NUP members of parliament who hold ministers' portfolios, called for the opposition to end its "futile struggle".



